

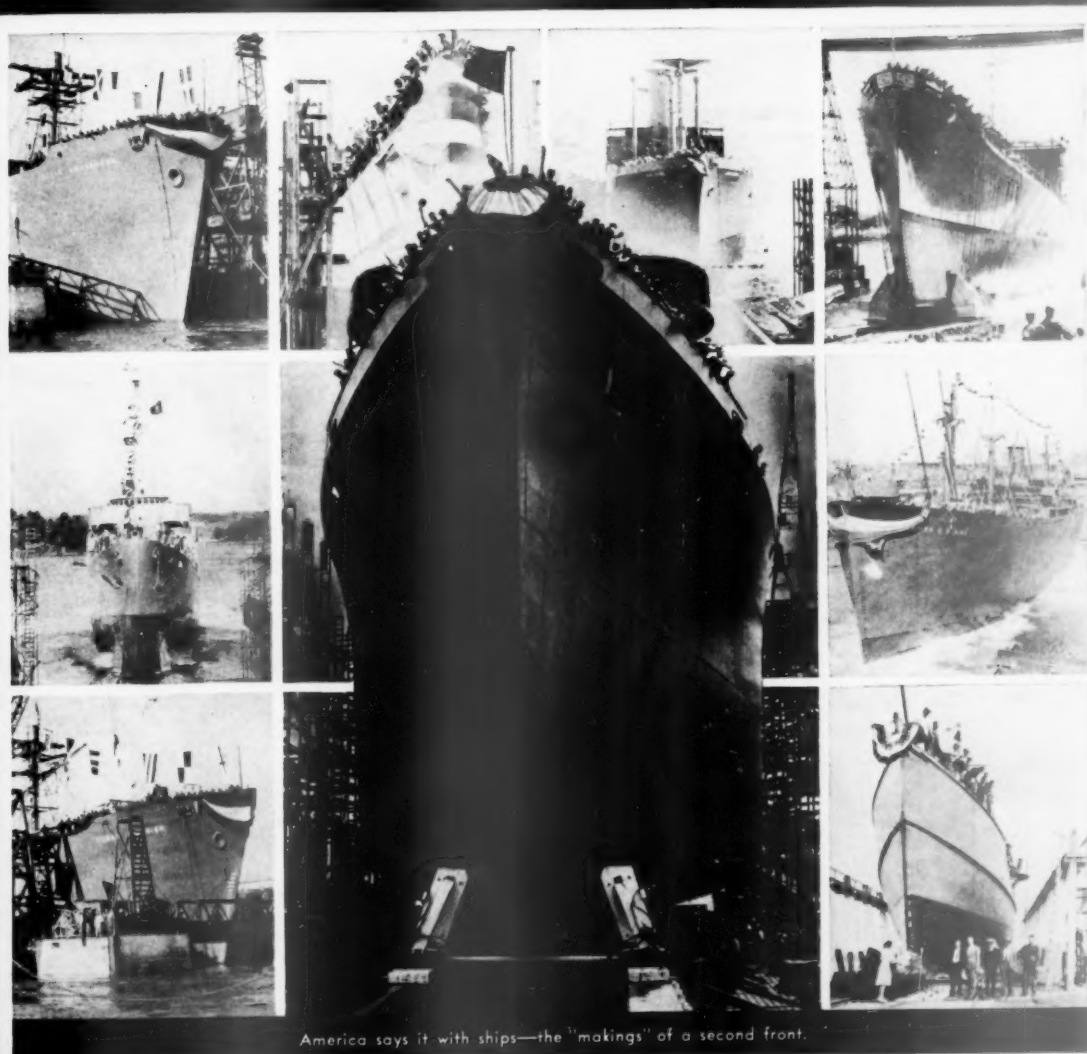
WEEK
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BUSINESS WEEK



America says it with ships—the "makings" of a second front.

NESS

EX

EX

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If you were defending your family from a maniac—

—fighting for their lives against a madman who was on the verge of bearing you down . . . as you called on your last ounce of courage and energy, how would you feel if you heard your family behind you laughing and playing, some bickering and greedily quarreling—instead of handing you a club or pitching in to help you fight? . . . Then how must our fighting men feel, as they read their home papers?

If this war is lost (and it is dangerously close to it) don't blame your soldiers and sailors—blame yourself. Not the man or woman in the next block or at the next machine or desk, but *yourself*. All wars are lost by the people back home who want somebody else to do the fighting, the dying, the sacrificing for them.

The fifth column that is sapping America's effort—sapping it perilously close to defeat—is less secret Axis sabotage than selfish American indifference. Read it any day in your paper . . . search for it every second in your heart—

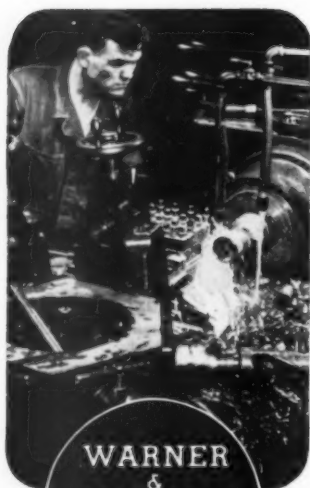
—Lack of rubber may ground American planes—yet rubber is wasted by the ton on Sunday driving, trips to movies, card parties, anywhere to save a little energetic walking.

—Decisions vital to war must wait while politicians (not, thank God, the patriots among them) mend fences instead of mending holes in our country's armor.

—Pressure groups shout for curbs on inflation while pushing their own greedy demands that will cause inflation.

—The racetracks, bars and ballparks are packed with men and women "getting a little relief" from war work—"relief" that will mean fewer guns, planes and shells where and when they're needed. (We're very careful of our own "morale" . . . what about the morale of men in Australia, Libya, on the deadly seas?)

The list can go on and on. You know it. Each knows in which he's guilty. If you think you can keep your social gains, your profits, your ease, your comfort—if you think this can be somebody else's war, you're right—it will be Hitler's war. Isn't it better to face *your* responsibility *now* than to face a Hun-Jap firing squad next year?



WARNER
&
SWASEY

Turret Lathes

Cleveland



They're sprinting shoes for tank chasers

A typical example of B. F. Goodrich development in rubber

TANK destroyers are cars carrying guns big enough to blast holes in steel. They must be *faster* than the tanks, but ordinary crawler treads are heavy and not very flexible; it takes extra power to drive them—power that should be used for more speed. Cars on wheels would be fast but couldn't follow the tanks over soft or rough ground.

Experiments were tried with the steel tread blocks covered with rubber. They were better for the big tanks but still too heavy for the lighter, faster cars.

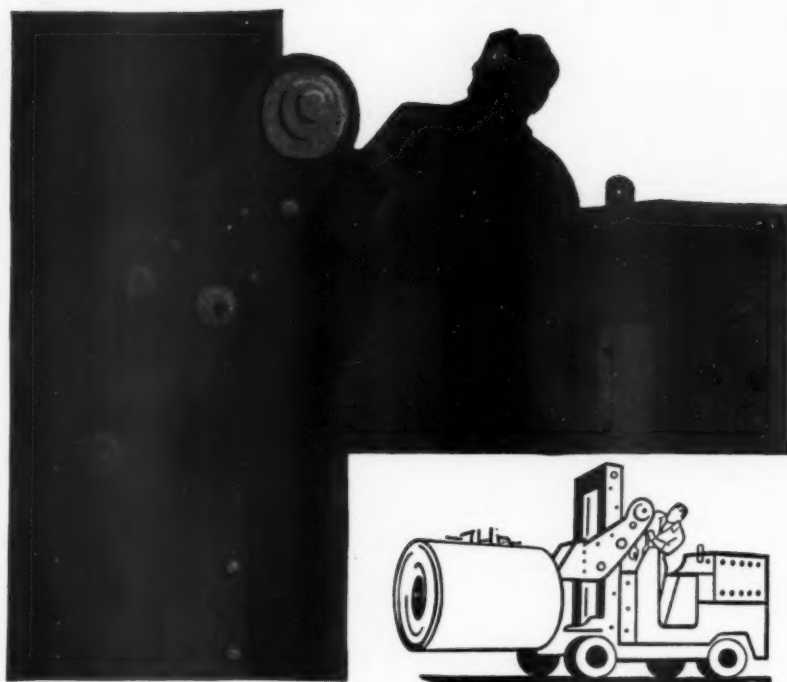
B. F. Goodrich men had been working on a rubber tread for farm tractors, made with wire cables buried in a continuous band of rubber. It works like a light belt, bends so easily a car can travel almost as well as it could roll on wheels. It's nearly as fast as a car with ordinary tires and uses 200 pounds less rubber per car. Farm tractors, of course, will have to wait for the end of the war—the picture shows the new treads coming through for army cars. When the picture was taken deliveries were 45 days ahead of the army's schedule.

Even during the period of rubber restrictions research for better ways of using and saving rubber still goes on. Ways are still being found to improve V-belts, flat belts, conveyor belts, hose and dozens or hundreds of other products used only in war work today—but products that will be ready for better peace-time service whenever the right time comes. *The B. F. Goodrich Company, Industrial Products Division, Akron, Ohio.*

B. F. Goodrich

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Battery industrial trucks are literally the internal supply lines of our war industries. They keep materials on the move all the way from incoming to outgoing carriers. Their power-units are their strength . . . they must not fail.

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INDUSTRY NEEDS THE DEPENDABILITY OF

Edison

Alkaline BATTERIES

Edison Storage Battery Division Thomas A. Edison, Inc.

WEST ORANGE, N. J.

BUSINESS WEEK and The ANNALIST

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BUSINESS WEEK • SEPTEMBER 19 • NUMBER 481 (with which is combined The Annalist and the Magazine of Business). Published weekly by McGraw-Hill Publishing Company, Inc., James H. McGraw, Founder and Honorary Chairman. Publication office, 99-129 North Broadway, Albany, New York. EDITORIAL AND EXECUTIVE OFFICES, 330 W. 42ND ST., NEW YORK, N. Y. James H. McGraw, Jr., President; Howard Ehrlich, Executive Vice-President; Mason Britton, Vice-President; B. R. Putnam, Treasurer; J. A. Gerardi, Secretary; J. E. Blackburn, Jr., Director of Circulation. Allow at least ten days for change of address. All communications about subscriptions should be addressed to the Director of Circulation, Business Week, 330 West 42nd Street, New York, N. Y.

Subscription rates—United States, Mexico, and Central and South American countries \$5.00 a year, \$8.00 two years, \$10.00 three years. Canada \$5.50 for one year, \$9.00 two years, \$11.00 for three years. Great Britain and British Possessions 45 shillings per year, 90 shillings three years. All other countries \$7.50 for one year, \$15.00 for three years. 20¢ per copy. Entered as second class matter December 4, 1936 at the post office at Albany, N. Y., under 3, 1879. Printed in 1942 by the McGraw-Hill Publishing Company, Inc.

A McGRAW-HILL

PUBLICATION

WASHINGTON BULLETIN

WHAT THE WASHINGTON NEWS MEANS TO MANAGEMENT

Farm Bloc Fights Curb

The President won't get his price law Oct. 1. The farm bloc isn't fooling. It will fight hard for Steagall's House version which, in reality, preserves the 110% minimum for farm price ceilings and which, incidentally, would force nearly all farm prices up to this roof immediately by also making it the floor.

Calling for inclusion of the cost of farm labor in computing parity, as the Steagall bill does, is just another way of writing 110% of parity. Effect of this change in computation would be to raise the parity price of every farm commodity by almost exactly 10%. Thus, when the Steagall bill permits imposition of price ceilings at 100% of this triggered parity, it's the same thing as 110% of parity permitted under the present law.

Here's why: parity price of any crop is the base-period price (1909-1914) multiplied by the current index of prices which the farmer pays for the goods he buys. That index now stands at 152. Effect of including a factor for hired farm labor and the labor of the farmer's family, as required by the Steagall bill, will be to raise the value of this index to 168—10% higher.

The Steagall bill then requires that, by loans and benefit payments, the prices of all "basic" farm commodities and all non-basics on which high production is desired be raised to the new 100% parity level—or 110% of parity as it's now computed.

• **Fight Ahead**—Nothing but a compromise can come out of the collision of Steagall's bill with the Administration-sponsored Brown-Wagner bill introduced in the Senate. The Brown bill would strike out the limitations of the existing price control act and permit ceilings on farm prices at 100% of parity, or the highest price this year, as requested by the President.

Bringing Pressure to Bear

On Oct. 1 the President will have to decide whether to give Congress an extension of time or act on his own in controlling farm prices. There is some room for action that will sting the farm bloc rebels even within the restrictions of the present law. He can make Wickard consent to immediate price ceilings on nine commodities which already exceed the level at which prices can be frozen: rice, white potatoes, apples, hogs, beef cattle, veal calves, lambs, retail milk, and wool (BW—Sep. 12'42, p15). In the case of the livestock, the

farmer would be put in a real squeeze, since he must buy feedstuffs on which ceilings can't yet be imposed under present law.

Capitalizing a Misconstruction

Sloppy writing of the President's message to Congress threw the door wide open to those who don't want to see farm prices curbed. His statement that "calculations of parity must include all costs of production including the cost of labor" was widely taken to refer to cost of farm labor, since the cost of industrial labor has been and now is reflected in the cost of commodities that farmers buy—and is a large factor.

Further analysis of Roosevelt's language reveals, however, that he merely was emphasizing his point that now, as in the past, "parity represents a fair relationship between the prices of the things farmers sell and the things they buy," for elsewhere in the message he stated that "in computing parity, we should continue to use the computations of the Bureau of Agricultural Economics made under the law as it stands today."

• **Boomerang**—If the farm bloc succeeds in injecting farm wages into the parity formula it may have to busy itself getting them out again after the war. The farm bloc had this same idea in 1935 but discovered that it would have lowered parity at that time. A postwar slump in farm wages would have the same effect.

No Big Wage Fight

As for wage control, Congress seems to be accepting the President's view that it's his business. The Brown bill merely authorizes him to regulate wages. The Steagall bill, in addition, opens a breach in the War Labor Board's policy of taking account only of cost of living increases up to May by directing the maintenance of an "equitable relation between . . . wages and the maximum prices of agricultural commodities established under this act."

Fuel Oil Rationing

Rationing of fuel oil beginning Oct. 1 in 30 Eastern, Central, and Northwestern states is just a starter. This is aimed at cutting consumption an average of 25% below normal demands this winter, but enforced curtailment may vary from region to region and from period to period depending on temperature, supply, and transportation conditions.

Lack of transportation is at present the biggest but not the only reason for fuel oil limitations. Government oil experts foresee a permanent fuel oil deficiency due to need for supplying all United Nations requirements for petroleum products during a long war, rapid depletion of U. S. oil reserves under the strain, and curtailment of gasoline production of which fuel oil is a by-product. Therefore, a long-range, nation-wide conversion program is under way.

• **Mandatory**—During the next three to six months, government engineers will visit every industrial plant in the country to urge conversion to coal, and a publicity campaign will be aimed at householders. If voluntary plans don't eliminate enough of the demand for fuel oil, conversion may be mandatory next year.

Needed: Strategy Agreement

Behind-the-hand talk in the War Department about a 13,000,000-man army points up the confusion engendered in the already confused production program by absence of a clearly defined and thoroughly accepted grand strategy.

The war fought in the President's study is a global war, and in that conflict an American tank with a Russian crew fighting the Germans is more valuable than a tank being used to train Americans in Arizona. But the war being fought in the Munitions Building tends to be an old-fashioned job of building up the military power of the United States. For all its consistent lip-service to the lend-lease, "Arsenal of Democracy" idea, the Army feels its prime responsibility is to be ready to win the war on its own.

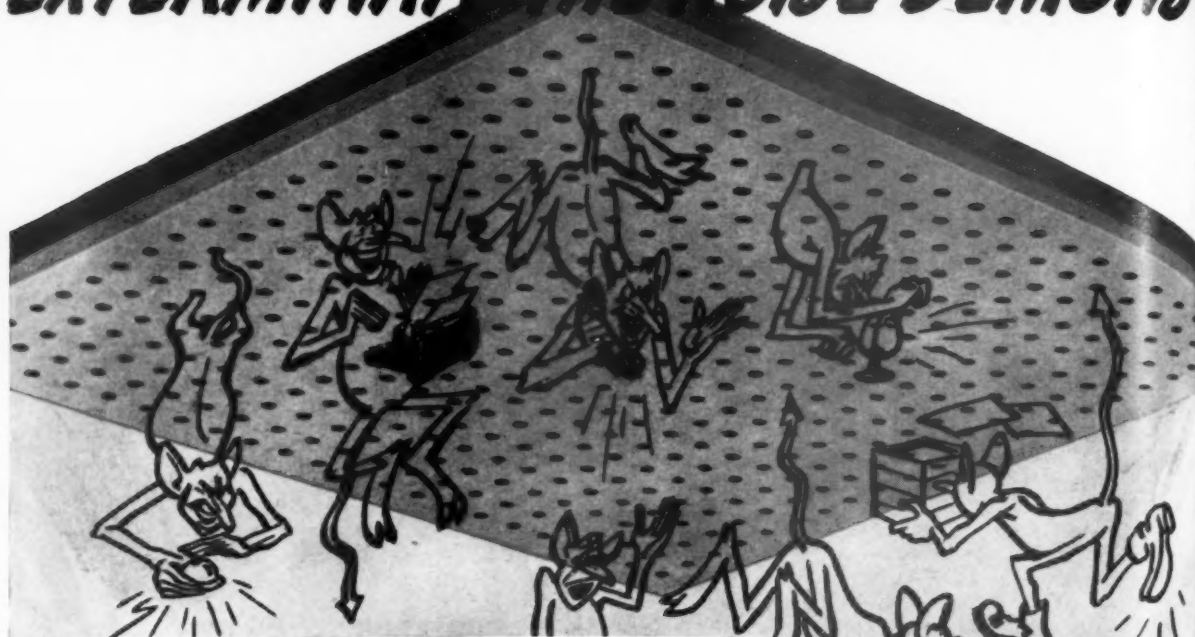
Thus arises an unending battle as to whether production should concentrate on the high-depreciation striking weapons—tanks and planes—needed by our allies or on balanced equipment for our Army. Nelson has consistently upheld the global view on this issue, as in his insistence on top priority for heavy aircraft.

Drafting workers—the same issue will soon become critical when the big-Army program starts pulling so many men out of the war plants as to cut down munitions shipments abroad.

Enlistment vs. Conscription

Army and Navy were trying to take some of the heat off the current demand for abolition of voluntary enlistment when they agreed (1) not to permit men with occupational deferments to join up

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hout clearance from their draft boards (2) not to commission government war-industry executives except with approval of the heads of the government agency or industry.

The attempt won't succeed. Man- over Commissioner McNutt and Se- lective Service Director Hershey are both continuing to press F.D.R. to make the army take its men through the draft (W—Aug. 29'42, p15).

When—Latest draft schedule as laid down by Hershey: single men with dependents, now; childless married men, a year now and most of them during the next nine months of 1943; men with children, next fall.

Labor Voice on Deferment

Labor people in war plants have been demanding that labor-management committees, organized as part of the Production Drive, receive a voice in company units set up to deal with draft deferments, such as the one at Nash-Kellogg's Lansing Plant (page 90). They want to be sure that union militants don't invariably turn out to be "non-essential workers" who are immediately liable for the draft.

Management has been generally suspicious of the demand, as of most attempts to combine grievance procedure with the Production Drive. The labor side of the argument got a big boost this week when Draft Boss Hershey told a congressional committee that he thought the labor-management committees ought to take a hand in considering deferment questions.

easing Labor Shortages

Three federal agencies took steps this week to alleviate the first great labor shortages of the war in the critical and important Pacific Northwest industries of non-ferrous metal mining, milling, smelting and refining (BW—Sep. 12'42, p35), and the logging and lumbering industries (page 29). The approach to these industries indicates the probable line of action in dealing with other important fields which will, of necessity, face labor shortages in the future.

First of all, Nelson ordered establishment of a 48-hour week throughout the Pacific Northwest lumber industry. Although short of labor, some mills had insisted upon working only 40 hours, and labor was turning over at the rate of 10% per month.

Gen. Hershey, Selective Service Director, followed through with a virtual "work or fight" order, directing reclassification of any of the 200,000 workers in these industries who leave their jobs without proving to the local draft board

that such separation would not adversely affect the war effort.

The War Labor Board, recognizing the need for higher pay in the non-ferrous mines to retain a satisfied labor force, followed through with a 2-to-1 panel recommendation for a 12½-cent hourly wage boost—well above the ceiling of the "Little Steel" 15% formula.

Baruch's Signposts

Washington critics are beaming over the blunt indictments in the Baruch rubber report (page 15). The survey committee—probably the most imposing yet named by a President famous for his "brain trusts"—spared no one including the President.

Beyond welcoming the committee's indictment of all those responsible for costly delays, the clean-cut recommendations (which leave no doubt on any question of procedure), and the demand for centralized authority under a single administrator, capitol pulse-feelers saw indications of a new awareness of public interest in the acts and operations of politicians as well as business leaders. Evidences of this awareness were seen in the report's bold warning that "once the war is over there will be a struggle among various groups for control of this new synthetic rubber industry," in the demand that Russia's long and apparently successful experience with synthetic rubber be investigated, and in the contention that the new Rubber Administrator should set up a full-time Technical Division outside the control of private interests.

• **Watch Jeffers**—W. M. Jeffers, rubber czar who picks up where the Baruch committee left off, is the individualistic head of the Union Pacific who shocked old-timers in the railroad business by turning over a traffic survey job to his own employees rather than to professionals (BW—Oct. 14'39, p28). He wound up with a 30% increase in freight business in a year.

OPA Gets Meat Control

WPB's Food Branch gracefully has bowed out of the meat distribution picture, leaving the entire job for OPA. Under the original Food Requirements Committee plan (BW—Sep. 5'42, p14), WPB was to control the distribution of meat at the packinghouse level until the first of the year when OPA's rationing system would be ready. WPB, however, had no stomach for tackling the tough meat situation; so OPA has been given a directive instructing it to handle the immediately forthcoming meat distribution control as well as the long-range rationing program.

Only check on OPA's control over the whole meat picture is the fact that Chairman Wickard of the Food Requirements Committee still has the right to make over-all allocations of supply among military, foreign, and civilian requirements. In addition, if Wickard thinks any action by OPA is interfering with procurement of meat for military and foreign requirements, he can complain to Donald Nelson, who retained the right to revoke or modify any order on which he has received such a complaint.

• **Forced Grading**—While preparing for rationing and distribution control, OPA strengthened its meat price control program. Original meat price regulation provided that all meats must be grade-labeled according to Department of Agriculture standards but left actual grading to the packers. As a result of alleged "upgrading" permitting hidden price increases, OPA amended the regulation to provide that all "choice" beef—the top grade—must be graded and labeled under Agriculture's official supervision.

Kaiser's Limited Opportunity

Indications are that Nelson will give Kaiser an order for a few cargo planes. This will satisfy press and public demand that his plan be tried. Kaiser will then fail or succeed, proving WPB right in either case.

The Kaiser brushoff has been a bungle from the start (BW—Sep. 5'42, p27). A trial order when he asked for it would have saved everybody's face. Technicians guess Kaiser can build planes, not engines.

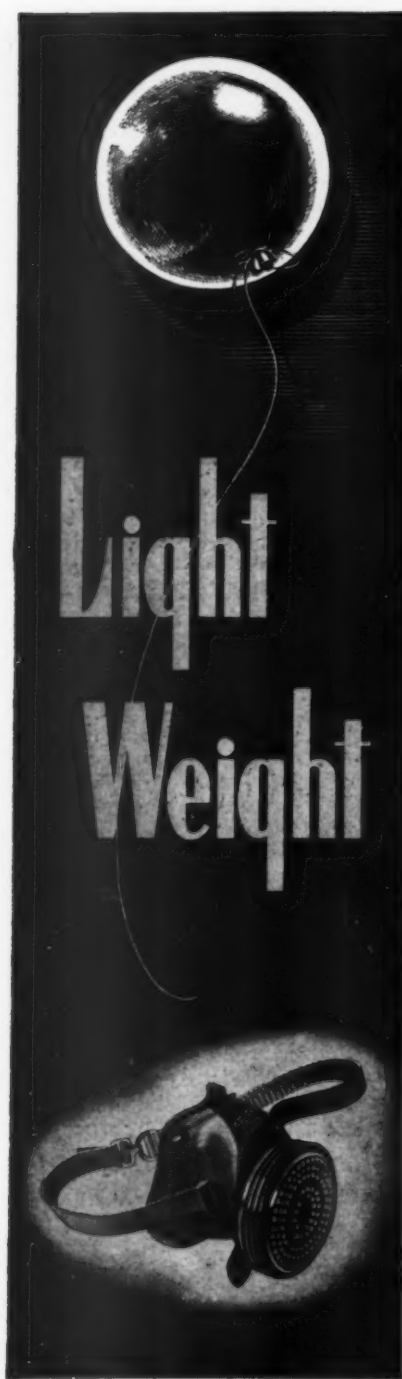
But, with airplane plants periodically down for lack of material, the airplane industry and some WPB officials say there's no point in bringing in more plane capacity. We have already jumped the ratio of transport to combat plane production from 2% to 30%.

• **Out of Nelson's Hands**—Actually, the joint command of United Nations—not Nelson—will decide any change in the ratio. And it won't go up too easily, with Russia, England, China, Australia, and Army and Navy screaming for fighting planes.

Break for Advertising

War contractors who have been wondering what sort of rule will be passed governing the status of advertising expenditures under war contract renegotiation, will learn in the next week or ten days that the yardstick is both elastic and lenient.

As currently envisioned, the rule will specify that (1) under renegotiated



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WASHINGTON BULLETIN (Continued)

cost-plus contracts, the terms of the famed "green book" (BW—Aug. 22'42, p15) will be followed; (2) under renegotiated fixed-price contracts, the Treasury rules will pertain; (3) in dealing with industries wholly converted to war, Army-Navy-Maritime men will make due allowance for their assumption that trademark protection currently needs less financial fortification than in peacetime.

The green book permits "advertising of an industrial or institutional character, placed in trade or technical journals" to be reckoned as a cost of doing business. The Treasury allows any "reasonable" and "ordinary" expenditure, so long as the advertiser obviously isn't trying to cheat the government out of taxes.

• **Awaits Formal O.K.**—Formal announcement of the new rule currently awaits joint action by Army, Navy, and Maritime Commission.

Pigs to Get the Corn

Because pigs and distillers both prefer corn, the Commodity Credit Corp. has raised its distillery price on corn to 90¢ a bushel. Distillers don't like to work with wheat; it's technically messy and the byproduct feedstuffs are hard to sell to farmers.

CCC, however, wants to conserve its corn for hog feeding. Hence, it has been selling to distillers from its ever-normal granary stocks at 80¢ for wheat and 85¢ for corn.

This made corn alcohol a little more expensive than wheat, but a large demand for corn persisted. Now, at 90¢, CCC hopes it has priced corn out of the alcohol market.

Standardizing Containers

Lashed by charges that it's spending too much time on intratrade battles between makers and users of different kinds of containers, WPB's Containers Branch has speeded up the process of providing standardized bottles and jars for food products. Early in May, the branch issued a simplification order freezing all specially designed glass container molds (BW—May 23'42, p32). At the same time, it provided several designs and sizes of glass bottles for distilled spirits and promised that a series of supplementary schedules would soon place all food products in standard glass containers.

After lagging for three months, this project was renewed early in September, with the result that the original order has now been amended to include 28 "exhibits" of standard sizes and designs of glass food containers. Thus far, five

of the exhibits have been made mandatory for packing jellies and preserves but before the program is completed, foods will arrive on grocers' shelves in standardized containers drawn from the 28 exhibits.

For Whom the Bell Rings

Labor unions which have collective bargaining contracts with war plants are rated as "essential" by WPB in its latest telephone conservation order (L-50) and must be furnished with telephone facilities.

After some heartsearching, WPB decided not to grant similar privileges to trade associations.

The new limitation order has a political aspect—federal, state, county and municipal offices can be given additional phone facilities but no mention is made of political candidates on the outside who need phone service for a campaign.

Capital Gains (and Losses)

This was a bad week for canals: Final tipoff that the Administration won't do anything about the Florida barge canal authorized by Congress this summer comes with Army Engineers request to use existing funds to improve the Gulf intracoastal waterway authorized in same bill. And F.D.R. admitted that too much water has gone over the dam to start building the St. Lawrence project now.

The Civil Service's new compulsory transfer policy will give federal manpower Commission officials a small taste of the headache they'll run into when they finally nerve themselves to a nationwide labor draft. This week's McNutt directive permits transfer of any federal employee to any other federal job without his consent.

Even labor's most optimistic friends never suspected that institution of labor-management committees (BW—Sep. 3'42, p78) would raise manufacturing activity to "as high as 200% efficiency," as was done, according to the Office of War Information, at Cooper Bessemer Corp.

Thurman Arnold's attempt to wipe out the old RCA consent decree (BW—Sep. 12'42, p16), thereby gaining the power to erase a lot of similar decrees from the books, has been blocked by the federal district court at Wilmington. Meantime Arnold filed a Supreme Court appeal in the Aluminum Co. of America case (BW—Oct. 11'41, p16)—longest trial on record, and thus far a loser for Arnold.

—Business Week's
Washington Bureau

FIGURES OF THE WEEK

THE INDEX (see chart below).

PRODUCTION

	\$ Latest Week	Preceding Week	Month Ago	6 Months Ago	Year Ago
Steel Ingot Operations (% of capacity)	97.2	96.4	97.2	97.9	96.1
Production of Automobiles and Trucks	19,605	16,865	19,215	30,630	53,165
Engineering Const. Awards (Eng. News-Rec. 4-week daily av. in thousands)	\$34,035	\$35,108	\$35,628	\$35,608	\$20,610
Electric Power Output (million kilowatt-hours)	3,571	3,673	3,655	3,357	3,322
Crude Oil (daily average, 1,000 bbls.)	3,902	3,683	3,893	3,515	4,034
Bituminous Coal (daily average, 1,000 tons)	1,863	1,888	1,823	1,693	2,002

TRADE

Miscellaneous and L.C.L. Carloadings (daily average, 1,000 cars)	85	85	79	84	91
All Other Carloadings (daily average, 1,000 cars)	63	65	62	44	61
Money in Circulation (Wednesday series, millions)	\$13,389	\$13,250	\$12,870	\$11,520	\$10,036
Department Store Sales (change from same week of preceding year)	+25%	+13%	-5%	+28%	+12%
Business Failures (Dun & Bradstreet, number)	109	122	174	224	169

PRICES (Average for the week)

Spot Commodity Index (Moody's, Dec. 31, 1931 = 100)	230.0	232.0	230.9	229.8	218.5
Industrial Raw Materials (U. S. Bureau of Labor Statistics, Aug., 1939 = 100)	154.7	154.1	153.2	154.1	145.9
Domestic Farm Products (U. S. Bureau of Labor Statistics, Aug., 1939 = 100)	184.1	183.1	183.8	181.7	165.6
Finished Steel Composite (Steel, ton)	\$56.73	\$56.73	\$56.73	\$56.73	\$56.73
Scrap Steel Composite (Iron Age, ton)	\$19.17	\$19.17	\$19.17	\$19.17	\$19.17
Copper (electrolytic, Connecticut Valley, lb.)	12.00¢	12.00¢	12.00¢	12.00¢	12.00¢
Wheat (No. 2, hard winter, Kansas City, bu.)	\$1.20	\$1.17	\$1.12	\$1.22	\$1.16
Sugar (raw, delivered New York, lb.)	3.74¢	3.74¢	3.74¢	3.74¢	3.50¢
Cotton (middling, ten designated markets, lb.)	18.79¢	18.62¢	18.52¢	19.35¢	17.61¢
Wool Tops (New York, lb.)	\$1.214	\$1.203	\$1.212	\$1.294	\$1.322
Rubber (ribbed smoked sheets, New York, lb.)	22.50¢	22.50¢	22.50¢	22.50¢	22.50¢

FINANCE

90 Stocks, Price Index (Standard & Poor's Corp.)	68.1	68.6	68.6	64.4	81.7
Medium Grade Corporate Bond Yield (30 Baa issues, Moody's)	4.27%	4.27%	4.28%	4.32%	4.30%
High Grade Corporate Bond Yield (30 Aaa issues, Moody's)	2.81%	2.80%	2.81%	2.87%	2.75%
U. S. Bond Yield (average of all taxable issues due or callable after twelve years)	2.34%	2.34%	2.35%	2.36%	2.14%
U. S. Treasury 3-to-5 year Note Yield (taxable)	1.27%	1.26%	1.25%	0.94%	0.58%
Call Loans Renewal Rate, N. Y. Stock Exchange (daily average)	1.00%	1.00%	1.00%	1.00%	1.00%
Prime Commercial Paper, 4-to-6-months, N. Y. City (prevailing rate)	1-1/2%	1-1/2%	1-1/2%	1%	1%

BANKING (Millions of dollars)

Demand Deposits Adjusted, reporting member banks	27,650	27,217	26,526	25,129	24,503
Total Loans and Investments, reporting member banks	34,322	34,457	33,603	31,034	29,230
Commercial and Agricultural Loans, reporting member banks	6,252	6,282	6,425	6,959	6,310
Securities Loans, reporting member banks	851	874	939	865	1,025
U. S. Gov't and Gov't Guaranteed Obligations Held, reporting member banks	20,525	20,580	19,509	15,935	14,496
Other Securities Held, reporting member banks	3,470	3,495	3,452	3,688	3,759
Excess Reserves, all member banks (Wednesday series)	2,350	2,260	2,381	3,266	5,111
Total Federal Reserve Credit Outstanding (Wednesday series)	3,703	3,542	3,512	2,347	2,255

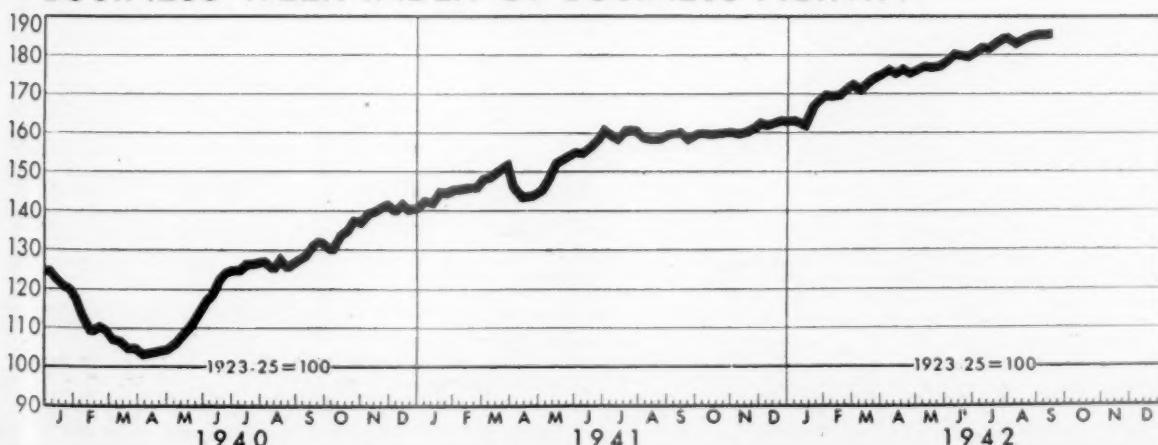
* Preliminary, week ended September 12th.

† Revised.

‡ Ceiling fixed by government.

§ Date for "Latest Week" on each series on request.

BUSINESS WEEK INDEX OF BUSINESS ACTIVITY



**Candid shots
of a busy wartime executive
getting the facts on
G-E MAZDA
FLUORESCENT LAMPS**



"How does General Electric make sure these lamps are made to stay brighter longer?" Nearly one million lamps are tested every year by an independent laboratory. These tests are in addition to those constantly being made by experienced G-E inspectors in G-E factories.



"What are the G-E improvements which contribute to longer lamp life?" A newly perfected method of treating cathodes . . . better phosphors . . . more accurate gas pressure control. And these G-E improvements also help produce the maximum light for the current consumed.



"What about blackening on the ends of the lamps?" All fluorescent lamps blacken slightly toward the end of life. But a G-E process—now over a year old—has practically eliminated premature end-blackening.



"Now what are some of the other reasons why we should purchase G-E MAZDA lamps?" Greater color uniformity. Quicker, more uniform starting. Better performance in service. Smoother light. Rugged construction.



"What's this I hear about lower prices?" A 12% to 17% reduction in G-E MAZDA fluorescent lamps was made on September 1st. This is the seventh reduction since these lamps were placed on the market only a few years ago. That's real news—especially in these times when cost trends are rising.

**FREE SERVICE
TO WAR PLANTS**

To help you find out what lighting is best for your work . . . to uncover lighting bottlenecks . . . General Electric offers you the services of trained lighting engineers. Their advice costs you nothing. Just telephone the nearest lamp office of General Electric.

**Effective September 1, 1942
NEW LOW PRICES ON G-E MAZDA F LAMPS**

14-WATT T-12 . . . was	80c . . . now	70c
15-WATT T-8 . . . was	65c . . . now	57c
15-WATT T-12 . . . was	80c . . . now	70c
20-WATT T-12 . . . was	80c . . . now	70c
30-WATT T-8 . . . was	80c . . . now	70c
40-WATT T-12 . . . was	\$1.15 . . . now	95c
100-WATT T-17 . . . was	\$2.60 . . . now	\$2.15

Above prices refer to daylight and 3500° white. Prices also reduced on soft white and colored G-E MAZDA F lamps.

Also reduced! G-E MAZDA H (Mercury) LAMPS

400-WATT T-16 AH1	was \$11.00 now	\$9.50
400-WATT T-19 BH1	was \$11.00 now	\$9.50
3000-WATT T-9½ AH9	was \$45.00 now	\$40.00

G-E MAZDA LAMPS GENERAL ELECTRIC

THE OUTLOOK

Politics—Six Weeks to Go

Realities of war, now bogged down in the pull-and-haul of Congressmen standing for reelection, are certain to demand a "let's-get-it-done" attitude after Nov. 3.

New climacterics in three battles—Stalingrad, inflation (page 5), and rubber (page 15)—this week illuminated the controlling factors in war policy, and therefore the outlook for business. For it is the pace of the war, together with domestic political considerations, that reacts upon the basic realities of materials, manpower (page 100), production, administrative procedure, and the like.

The outcome of the long, sanguinary struggle at Stalingrad, for instance, will profoundly affect war and economic strategy. Involved is the fate of the Caucasus, of major Soviet armies, and so, of the balance of military power this Winter and next Spring in the Middle East and on the continent of Europe.

Shipbuilding Problem

That places on us the responsibility of rushing weapons and preparing the second front—as has the whole Russian war. Yet deliveries of new merchant ships, needed to break the bottleneck in transport, fell off in August from July's record total. Unquestionably, this was due to the diversion of materials from cargo to escort vessels needed to protect the transports from newly rising U-boat depredations.

We are whipsawed by ship needs for war and for transporting vital oil supplies to the East Coast. The solution has long been delayed for purely political reasons. Only now is the fuel oil pinch being met by rationing in fully 30 Eastern and Midwestern states. The closely related problem of curtailing use of tires for nonessential purposes has been put off in similar fashion: there's little indication of a crackdown until after elections. Even the Baruch report, whose decisive handling of a muddled situation brought sighs of relief to the nation, comes too late to reduce mileage before that time.

Price Rise Seen Halting

Now wage control and ceilings on farm prices promise to be subjected to the usual Congressional pressures designed to soften stabilization—by whatever device (page 5). The one certainty on the President's "do-it-or-I-will" injunction is that some halt will be made in the price spiral.

The course of the war plus the hard facts of present inflation and production

potentials—two primary determinants of the outlook—will transcend politics once the first Tuesday after the first Monday in November is passed. That implies a new wave of war measures. Increasingly, such problems as anti-inflationary taxation (page 14) will be placed on the plane of simply choosing the best administrative methods.

Needs Are Emphatic

By then, too, the need for widening controls will have accumulated. With war expenditures at \$5,200,000,000 in August, we are well past the halfway mark in a production which envisages a peak of \$7,000,000,000 to \$8,000,000,000 monthly. Shifts towards in-

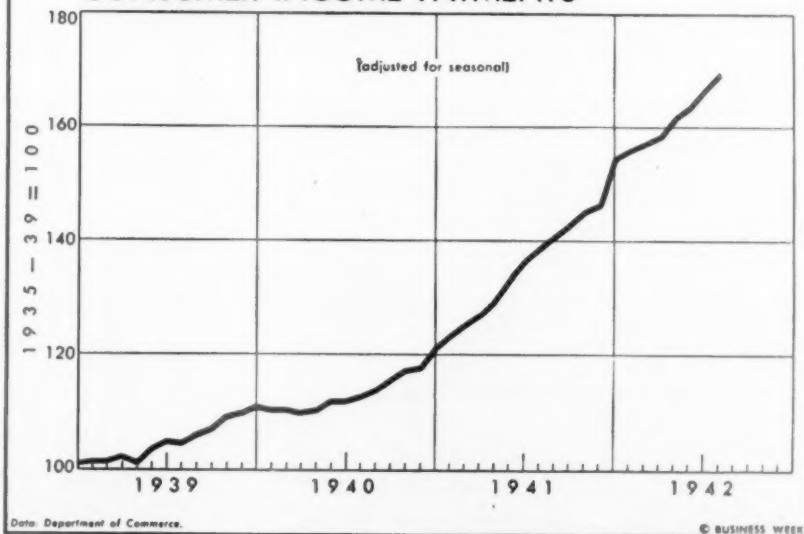
creased output of combat weapons still have to be made. And curtailment in various nonwar lines—bicycles, farm equipment, office machines, whiskey—must yet be made complete.

But, as the state of the auto program indicates (page 24), tooling up is rapidly approaching its end, and the nation is "settling down for the long, hard grind of turning out planes, ships, guns, and ammunition in a steady stream" (BW—Aug. 9'41, p13). More and more, such questions as "How many planes shall we build?" will give way to "How good are the planes we are building?" (page 20).

Sane Tax Policy Likely

The forthcoming release from politics will serve, simultaneously, both to clear and to becloud the outlook for profits. New controls will complicate adjustments to the war. But the "sock-business" pressure will also be relieved. Then the profound, the nettlesome question of how to limit war costs—by contract renegotiation, Office of Price Adminis-

IN THE OUTLOOK:
CONSUMER INCOME PAYMENTS



Here is charted one side of the goods-income inflation equation. For the past 20 months, the income index has been rising 2.5 points a month, or \$20,000,000,000 a year. And it's holding that pace. Steps to stabilize wage rates and farm prices will moderate the upsurge, but military payrolls alone will put upwards of \$5,000,000,000 in soldiers' and dependents' pockets next year. Meanwhile, if workers can be found, they will take more

jobs, move into better-paying war industries, work time-and-a-half overtime. Plans for curbing purchasing power must be made with this more pecunious future in mind. The Department of Commerce has just revised the index to accord with latest annual figures. Comparison of this curve with the new index for Canada (page 78) should take account of possible differences in concepts of national income.

tration ceilings on munitions, or a flat 6% limit on arms profits—can be treated with more attention to the national effort and less to constituents back home.

Total corporate profits after taxes, of course, will drop some 30% this year from 1941. Primarily, that's due to sharply boosted corporation levies. In addition, net has been squeezed between price ceilings on the one hand and rising labor and farm raw-material costs on the other. But even if the tax rates now being set hold for the duration, and even if wages and farm prices are effectively stabilized soon, the mathematical operation of tax rates will continue to pinch profits.

Some industries with rising volume have been able to increase their net over last year, even after the tax boost—as witness the aircraft companies. But 20% of the increased income, at most, can be retained under the Senate Finance Committee's latest version of the bill.

Retail Outlook Unhappy

In such lines as retailing, however, volume is declining. Since profits never were far into the EPT brackets, if at all, the cut in net earnings amounts to 60% of the total lost. Many other lines, subject to the cost-price squeeze, have been similarly hit. So, the additions to aggregate corporate profits due to rising volume have been smaller than the cuts resulting from declining business and the squeeze.



PACIFIC CONVOY

Huge convoys leave West Coast ports with increasing frequency as the United Nations push their first big of-

Individuals Socked

Senate committee tax bill eases up on corporations while boosting personal levy, a fact which miffs the Treasury.

Taxpayers watched unhappily this week as the Senate Finance Committee finished its version of the 1942 revenue bill and turned it over to technical draftsmen. Under the committee's program, next year's taxes would dredge up between \$8,500,000,000 and \$9,000,000,000 in additional revenue, with the greater part of it coming directly out of individual incomes. About 43,000,000 people would find themselves faced with a tax liability, 23,000,000 for the first time.

• **Some Changes**—Last minute decisions changed details of the bill without altering its main features. In its final session, the committee shoved corporate normal and surtaxes back to 40%, rejecting the House plan for a 45% rate. To make up for this, it eliminated the postwar refund of 10% on surtaxes. Net result was a cut of \$127,000,000 in the immediate tax load of corporations, offset by a reduction of \$200,000,000 in postwar rebates.

At the same time, committee members decided to permit all public utilities except railroads to deduct dividends

paid on preferred stock when they computed surtax net income. This is worth about \$18,000,000 to utilities, but it does nothing to ease the excess profits tax load, which is their main worry.

• **Capital Gains Tax**—The committee also overhauled the capital gains tax, making the holding period for capital assets six months instead of 15 months as proposed by the House bill. This means a lot to investors and security traders, who have been campaigning for revision of the capital gains setup (BW—May 30 '42, p68). Cutting down the holding period would allow investors to apply the low rate on long-term capital gains to a larger part of their profits.

Except for these changes and some rearrangement of income brackets, the committee stood pat on its previous decisions. Hence, its final program adopts the individual income tax rates of the House bill (normal rate of 6%, surtax ranging from 13% to 82%) and piles on top of them the 5% Victory Tax (BW—Sep. 12 '42, p118).

• **90% on Excess Profits**—In addition to the 40% normal and surtax on corporations, it imposes a 90% levy on excess profits. Unlike the House bill it proposes to refund corporations 10% of their excess profits taxes after the war, and it sets an 80% limit on the proportion of income that taxes can take.

As things look now, the tax law that Congress finally passes will follow the committee's bill in most respects. But that doesn't mean that the fighting is over or that some of the controversial provisions won't be knocked out of the final version. The tax bill still has to struggle through the Senate, where it won't have the protection of a gag rule as it did in the House. Then it will go into conference. Anywhere along the line, opponents of a particular provision may get up enough strength to kill it.

• **Victory Tax**—Weakest point in the committee's program is the 5% Victory Tax, which applies to all income above \$12 a week without allowing the usual exemptions for dependency. Many experts think this is too heavy a load for individuals to carry, especially at a time when their income tax liability is nearly doubled.

Sales tax advocates in both houses of Congress consider the Victory Tax a poor sort of makeshift. They want to strike it out and substitute a straight levy on retail transactions.

• **Rebate Features**—Postwar rebate features of the Victory Tax don't do much to take the curse off it. The Treasury considers them inadequate as a forced savings program and unsatisfactory as a relief in hardship cases.

In its corporate tax proposals, the committee is on stronger ground. The House voted stiffer rates (45% normal and surtax, 90% excess profits tax with no refunds), but this was largely a politi-

fensive against Japan in the Solomon Islands and battle Tokyo's dangerous counterattack against their biggest New Guinea base located at Port Moresby.



GOOD NEIGHBOR

Nelson Rockefeller, visiting Brazil as the guest of President Vargas, is shown the sights of Rio de Janeiro by Brazil's First Lady. The famous Rockefeller smile is winning new friends for the United States in the first South American country to join the United Nations in the battle against the Axis.

cal gesture. If the Senate adopts committee proposals, it isn't likely that House conferees will hold out. Big danger here is that the Senate may soften individual income taxes and make up the difference on corporation levies.

• **Pay-as-You-Go Plan**—Advocates of the Ruml plan (BW—Sep. 5 '42, p15) still hope to write a pay-as-you-go provision into the bill before it goes onto the statute books. The committee's program makes no attempt to put collections on a current basis.

A lot depends on how the Administration throws its influence when the bill comes up for final voting. As it stands now the revenue program is very different from the recommendations that Secretary Morgenthau presented to the House Ways and Means Committee last spring.

• **Treasury's Attitude**—The Treasury is particularly miffed about corporate taxes (it wanted a 55% rate) and failure to eliminate what it calls special privileges.

Theoretically the Treasury should have nothing to say from now on, but it may make one last attempt to put over its pet ideas. Irritated legislators accuse it of trying to be "a third house of Congress," but just the same they watch to see where it throws its influence.

Baruch's Rubber Prescription

Committee report which fixes policy for the duration boils down to this: Save in every way; use every productive facility; and don't switch programs in midstream.

In one of the most forthright and concise documents that has come out of this war, Bernard Baruch and his specially-appointed committee has laid down a wartime rubber program for the United States which leaves no room for any doubts as to what our rubber policy must be for the duration.

• **Conclusions**—Briefly, here are the committee's principal conclusions:

(1) Military requirements have been satisfactorily reduced to the minimum total commensurate with fighting efficiency.

(2) If the synthetic rubber production now planned comes through on schedule, we can get through the next two tight years, but without adequate reserves against contingencies and with no provision for civilian cars except on a limited retreat and very modest replacement basis.

(3) To keep civilian cars operating at a minimum necessary for public morale, a nation-wide speed limit of 35 miles an hour and an average annual mileage ration of 5,000 miles are urged.

(4) The present synthetic program—despite claims by rival groups (BW—Aug. 15 '42, p15)—"must not at this late date be changed."

(5) To meet possible contingencies, and to assure the maximum output of rubber next year, the existing government program should be supplemented by the creation of new capacity to produce annually an added 36,000 tons of thiokol (mainly for recapping), 100,000 tons of "quickie" butadiene, 140,000 tons of finished rubber, 20,000 tons of neoprene, and 100,000,000 gal. of grain alcohol (useful for either explosives or butadiene). In addition, the committee recommended that six months from now, when construction materials are likely to be more plentiful, a plant to produce 27,000 tons of butadiene from grain and an associated polymerization plant to produce 30,000 tons of finished rubber be built in the grain belt, if it seems at that time to be a wise move.

(6) Priorities on construction materials for the synthetic rubber plants must assure deliveries on schedule.

(7) All authority for the entire rubber program must be centralized in a Rubber Administrator appointed by and responsible to the chairman of WPB.

(8) Of the known agricultural sources of natural rubber (besides tree rubber from Latin America), only guayule and cryptostegia deserve consideration now.

(9) The country's rubber reclaiming capacity should immediately be boosted

20%, and a gigantic new scrap-collection drive should be staged early next year.

• **Restrictions on Driving**—To the average American, the restrictions on passenger car travel are the most important part of the report. The President has already declared that, though no new legislation is needed, it will probably be November (undoubtedly some time after the elections) before the proper forms for gasoline rationing can be printed and local boards set up outside the Eastern seaboard, where the plan is already in effect.

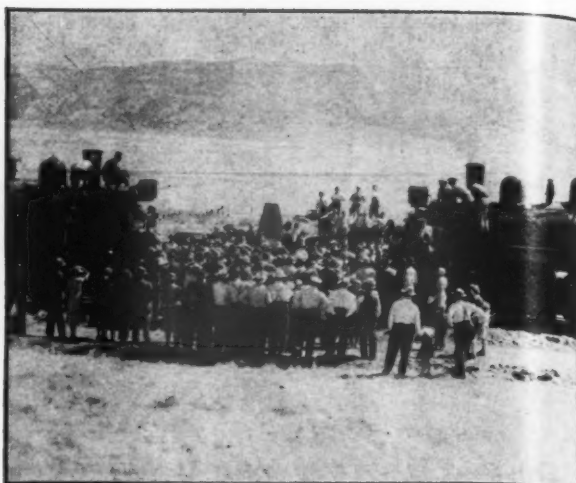
Not until 1944 is there any possibility of the new Buna S rubber for civilian use, and even then the quota is no more than 185,000 tons, despite the fact that by then practically every car in the country will need new tires.

This explains why the committee has been so urgent in its appeal for a drastic conservation program and its recommendation that all recapping and replacement of tires be on a rigidly supervised basis.

• **Regarding Processes**—Next to his concern over his own car, John Doe is probably most interested in the committee's decisive action on the long controversy over processes for making butadiene. Months of Congressional investigation of petroleum vs. a grain-alcohol base for butadiene, with varying degrees of



William M. Jeffers, president of the Union Pacific Railroad, takes over the tough job of administering the country's rubber program (page 7).



GOLDEN FINIS

Promontory, Utah, a magic name in railroad history, the place where Leland Stanford, president of the Union Pacific, drove the golden spike completing the first transcontinental railroad in 1869, again enjoyed two brief hours of fame when salvage crews, pulling up the old rails for scrap, took part in the ceremony of withdrawing the spike. Crowds that gathered at the spot (above, right), recalled those that had helped to make history 73 years before (above, left). The three men who accomplished the spike-pulling (left) were L. P. Hopkins, divi-

sion superintendent for the Southern Pacific, Governor Maw, of Utah, and E. C. Schmidt, of the Union Pacific. In 1906, the Salt Lake cutoff was completed, and transcontinental trains went across the lake instead of over the long and steep grade at Promontory Mountain. Ten years ago, unsuccessful attempts were made by the Southern Pacific to abandon the 126-mile line. Now the scrap situation has forced the issue. The spike, which had been safely tucked away in the Wells Fargo Bank, San Francisco (BW-Aug. 8 '42, p. 18), was taken out, polished up, and replaced in the ties especially for the ceremony.

public suspicion that special interests were battling for a slice of what is bound to be a lucrative new business long after the war, are boldly and neatly settled by the report:

We have examined, with the aid of our experts, many processes for the production of butadiene and synthetic rubber. We find that quite apart from their merits or demerits, no one of them could now be substituted in the present program with hope of accelerating the production of Buna S in the critical year 1943.

We would be blind if we did not see the efforts now in progress on the part of many companies to have a part in the development of a large new industry with vast postwar possibilities. This has been accentuated in the minds of the petroleum producers by gasoline rationing with its attendant loss of sales. They are thus forced to turn to other products including butadiene. Furthermore, we are not unaware that it is inevitable that once the war is over there will be a struggle amongst various groups for the control of this new industry. But all such considerations cannot affect this committee's conclusions.

We are concerned only with the production of the largest amount of rubber in the minimum amount of time in order to carry the country successfully through the war.

It is our firm conclusion that present processes for manufacturing synthetic rubber and the raw materials required (butadiene and styrene) must not at this late date be changed unless new processes can be shown beyond peradventure to have such advantages over those now employed that more rubber would be obtained in the ensuing months than would otherwise be the case. We have found no such process in the course of our investigations.

● **Appraising Sources**—Beyond these basic recommendations, the committee left no doubts about the value of half a dozen supply sources which have been proposed during the Congressional hearings:

Referring to the Publicker process of making butadiene from grain alcohol and the butylene glycol process developed by the Department of Agriculture at Peoria, Ill., the committee urges that a few months from now, when more data are available, they be carefully compared with the alcohol process developed by the Carbide and Carbon Co., which now holds the bulk of the government butadiene-from-alcohol orders.

Referring to flexon (BW-Jul. 18 '42, p. 7), the committee does not recommend the inclusion of any large produc-

tion in the present program, but urges that experiments be watched closely.

Noropol, developed from soy bean oil, was also written off the present program, but the committee admitted that it undoubtedly might become a valuable substitute in certain mechanical goods.

● **Russian Process**—After rebuking officials for failing to obtain early this year the detailed information concerning the Russian process for making synthetic rubber (Moscow, in February, offered to provide blueprints of the Russian process and to send engineers to Washington to discuss it), the committee urged that "every effort be made to obtain this information."

Of the mass of vegetable rubbers—from golden rod, milkweed, poinsettia, and Russian dandelion—only two, guayule and cryptostegia, are recommended.

The guayule program, according to the committee, should be stepped up by authorization to plant additional acreage, and by assuring priorities on farm equipment to handle the planting not later than October.

Cryptostegia, a vine whose leaves contain rubber of high quality, is urged as a supplement to guayule.

The Kanzler Plan

New WPB operations boss wins enmities by taking arms production out from under PRP and by rescheduling output.

Ernest Kanzler's takeover of the directorship of operations at the War Production Board has fundamentally changed the probable direction of development of WPB's slowly evolving system of production control. And it has precipitated one of the bitterest internal fights yet to wrack that stormy organization.

• **Good Scheduling Is Basic**—Immediate issue is the handling of the Production Requirements Plan. The Kanzler forces expect to take direct munitions manufacture out from under PRP.

But this is only the surface issue. Everyone now recognizes that PRP, or any alternative accounting system, can only be successful to the extent that the production work which it is recording and controlling is realistically scheduled.

• **Mixup over Delivery**—Many war contracts now simply call for delivery as early as possible. Others contain a delivery date which is simply the contractor's guess. Scheduling of contracts would substitute for such meaningless delivery dates a definite month-by-month program. Also, it would ensure that the delivery schedules for tank transmissions, for instance, tank engines, and tank cannon all mesh with the delivery schedules for finished tanks.

In recent months, WPB officials responsible for materials flow have come to the conclusion that scheduling of this character would never be achieved unless they themselves enforced it upon the armed services, perhaps did a considerable part of the work themselves. The Production Requirements Plan, with its control of the input of materials into manufacturing plants, offered an enforcement mechanism.

• **Preliminary Plans**—Important moves were taken or planned in this direction:

(1) Last month's elimination of the power of Army and Navy procurement officials to issue priorities firmly gathered into WPB's hands full authority over materials.

(2) The WPB Requirements Committee, preparatory to working out the fourth-quarter material allotments under PRP, demanded that the Army and Navy present it with schedules of munitions output for the quarter. The Sept. 15 deadline was not met.

(3) Priorities director J. A. Krug was preparing to set up an elaborate scheduling organization of his own. Organized industry-by-industry, it would have extended right down into the individual plants. It would have been the job of

this organization to see that the rates of operation of subcontractors, of producers of parts, subassemblies, and semifabricated materials were such as to conform to the output schedules for military end products set up by the services. WPB inspectors in the plants would have made sure that the material-requests submitted under PRP matched these rates of production.

• **Services' New Attitude**—Kanzler's appointment upset this whole scheme. His approach to the problem is based on the belief that the Army and Navy now recognize that this country's resources are not infinite, that they will now proceed vigorously with their own scheduling job. There is some basis for this belief. Within the last couple of weeks, both Gen. Somervell and Admiral Robinson have instructed their people to get on to a scheduled basis.

Unquestionably, too, Kanzler is influenced by his Detroit background. Familiar with the complex operations of auto companies, he is impressed by the scheduling savvy of big industries.

• **Scheduling by Companies**—Kanzler, therefore, will promote a scheme taking all munitions work out from PRP and using instead something similar to the warrant plan the services have been pushing for months. In addition, he will adopt the main feature of the so-called "General Motors plan"—reliance on the big prime contractors for the bulk of the detailed scheduling.

Mechanics of the scheme are still hazy. Broadly, however, the services would present to the requirements committee a schedule of finished armament

—probably a six-months schedule with the first month firm and the others subject to change. The committee would modify this schedule to conform to the supply of materials and to the requirements of essential civilian and "shelf goods" production as revealed through PRP.

• **How Parts Would Flow**—At this point the prime contractors producing finished armament would take over. They would assign production schedules to their suppliers corresponding to their own approved schedules. Not only would they schedule their own subcontractors but also other prime contractors producing parts rather than finished goods. Any manufacturer, then, would be permitted to buy the materials required by his approved schedule.

This abrupt change in direction has played hell with the morale of the WPB priorities staff. The deep disagreement on policy is exacerbated by personal bitterness. It's reported, for instance, that A. I. Henderson, J. A. Krug, and Wade T. Childress, Kanzler's three immediate subordinates, had no knowledge of his appointment until they were called in to meet their new boss.

• **Plenty of Opposition**—Thus Kanzler has a fight on his hands to cram his scheme down the throats of his staff and to rebuild his staff afterwards. And there'll be plenty of outside opposition. Labor, the New Dealers, the Truman Committee will be deeply suspicious of a scheme which smells of military dominance and, by throwing most of the control of industry into the hands of big contractors, also smacks of the NRA.



Preliminary to presentation of anti-inflation legislation (page 5) was a series of conferences between congressional leaders and the President. House Democratic leaders (Speaker Sam Rayburn, left, and floor chief John W. McCormack, hat and cigar

in hand) promised reporters speedy action. However, the bill brought into the House on Monday threatened a tieup; it agreed to 100% of parity for farm prices—based on a new parity. The farm bloc has long sought a new parity formula (BW—Jan.17'42,p68).

ODT Goes to Town

Order No. 21 hits hard, requiring certificate of war necessity of all commercial vehicle operators.

New and more stringent wartime regulations for every major type of gasoline-powered vehicle became a fact last week. In the recommendations of the Baruch report (page 15), and in the Office of Defense Transportation's order No. 21, passenger cars, trucks, taxis, buses, and jitneys were placed on a footing that will save their tires and mechanical equipment for the lean days ahead.

• **ODT Means Business**—By far the more spectacular of the documents is the Baruch report with its insistence on a 35-mile speed limit, and nation-wide gasoline rationing. At the moment, however, it's still a plan, subject to possible change and without any enforcing mechanism. ODT's order No. 21, on the other hand, definitely goes into operation Nov. 15.

Its purpose is to conserve the 4,890,000 trucks and 154,000 buses now on the road. Similarly, it seeks to save the tires on buses, trucks, and taxis, for the current rate of tire production is not a very reassuring affair.

• **Broad "Police Force"**—To accomplish this dual purpose, No. 21 makes one mouthful of all prior ODT bus-truck-taxi regulations. The order specifies that (1) every commercial vehicle operator must apply for a certificate of war necessity, (2) he must sign special receipts when purchasing gasoline, tires, tubes, and repairs, (3) his certificate will be suspended or revoked if he violates any ODT rules, and (4) he must have the tires on his vehicle checked by "an inspection agency designated by the Office of Price Administration" prior to Nov. 15.

Rather than set up a police force of its own, ODT has given any "enforcement officer of any state or political subdivision thereof" the power to initiate a complaint that might lead to suspension or revocation of the operator's certificate. To implement this detective work, ODT from time to time plans to conduct spot checks to see how compliance is coming along.

• **Bookkeeping Burden**—The manifold papers needed to make No. 21 operative haven't been printed yet. That they'll be a fairly considerable addition to the commercial world's burden of wartime bookkeeping is a foregone conclusion. But in one major respect ODT has profited from prior experience—it won't leave the filing of applications to random observance.

Instead, every one of the 5,000,000 commercial vehicle operators will be

mailed (from Detroit) an application blank; instructions on how to fill it out; a copy of order No. 21; a statement by Joseph Eastman, ODT director; a summary of all other orders pertaining to the program; and press releases explaining the setup in simple English. Later, the format of the receipt books that must be used when procuring gas, tires, and repairs will be announced.

• **Carry It On Truck**—Certificates of war necessity, when issued, must be toted around like license plates. They'll show the name and address of the person to whom issued, the vehicle covered, and "the conditions under which such vehicle or vehicles may be operated."

In the case of most commercial vehicles, these conditions have already been largely specified in earlier orders, especially order No. 17 governing all trucks. In essence, No. 17 sets a speed limit of 40 m.p.h., orders a 25% reduction in mileage as against the same calendar month of 1941, and bans special deliveries, callbacks, or multiple deliveries to the same party. Additionally, over-the-road carriers must operate with a capacity load over a "considerable portion" of outbound or inbound trip, but such capacity must not exceed the vehicle's load-carrying ability by more than 20%.

• **Psychological Club**—By writing all these terms into the certificates of war necessity, ODT expects to have a psychological club over the head of any would-be violator. Much more fearsome, however, is the possibility of being turned in by a state or local cop. A vehicle operator accused of speeding, for instance, stands a good chance of

having his past conduct examined to such an extent that other sins may be uncovered. Similarly, OPA's tire ration boards may scrutinize the vehicle operator's history from A to Z. And therein lies the strength of No. 21.

Day after its appearance, ODT took especial notice of the taxi situation by ordering New York City fleet operators to take a third of their hacks out of service. Individual operators meanwhile were told not to use any cab more than six days a week. Together with subsidiary restrictions on the maximum territory a New York cab may cover, this new regulation will save 15,000 tires, 15,000 recaps, and 10,000,000 gal. of gasoline annually.

• **Vehicle Pool Seen**—Because New York City already has an overripe harvest of cabs (11,700, or 22% of the nation's total), the order won't cause any hardship there, may even be a boon in thinning the over-expanded field back to normal. Similar restrictions in other cities, however, probably would lack New York's silver lining.

And thus pools—not only of taxis, but even more certainly of trucks—appear to be a logical eventuality.

• **Few Pools Formed**—Provision for such a development was made as early as last March. At that time ODT and the Department of Justice declared it is all right for vehicle operators to combine resources. But they added that all pooling plans should be submitted in order that cooperation is not construed as conspiracy. Subsequently, one over-the-road and 16 local pools (mainly among milk dealers) have been approved.

In view of the current state of af-



Albany truck drivers like those in more than 20 other cities take a pledge to conserve their equipment, at a meeting held under the truck saving plan sponsored by the Mack Truck

Co. Mack has detached one of its engineers from regular duties to tour the country explaining the truck situation and demonstrating conservation methods.

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airs, that total is amazingly low. Frowns of trucking unions, inexperience on the part of operators, and slowness on the part of ODT's approval mill apparently are to blame.

• **There's a Reason**—All told, ODT has received about 160 local plans. Aside from the 16 which were given the green light, 23 were sent back for revision. That leaves around 120 in an ODT pigeonhole.

To iron out this situation all around, ODT now plans to issue either instructions or printed application forms so that truckers won't waste their time sending in obviously unworkable schemes. Furthermore, a uniform format in applications may help ODT make up its mind more readily as to whether a pool is or isn't all right.

• **Facts Needed**—In essence, ODT will advise truckers that all information should be specific, indicating: Why some truckers are left out of the pool; what percentage is in, and what percentage is out; what the pre-pool situation with respect to operations was; and what advantages will be derived from the proposed plan. Local truckers may put their plans into effect prior to ODT-DJ approval. (If the plan is turned down it will have to be revised, of course.) Over-the-road carriers, however, may only put a plan to work after formal approval.

Costlier Sunshine

Southeastern roads raise fares, ostensibly to meet costs of operation, but really to cut travel on crowded trains.

Railroad passenger coach fares in the southeastern states have for many years been below the rest of the nation. Effective Oct. 1, however, these one-way tickets will be sold at 2.2¢ a mile (which is the rate charged by carriers in other parts of the country).

• **More or Less Travel?**—The purpose that the carriers are talking about is to bring their revenues up to cover their increased operating costs; the purpose they are not talking about is to discourage needless travel on their already overcrowded trains.

Because of the concentration of military establishments in the Southeast, railroad men estimate that one-third of the country's total military travel is in that area. The lines simply cannot handle the normal cold weather expectancy of tourist trippers out for the winter sunshine—not by a wide margin.

• **Blow at Short Vacations**—At the same time, the southeastern roads are abolishing all of the special round-trip rates, both coach and first class, for return limits under 90 days (which should tend



TOURISTS—KEEP OUT!

One answer to the increasing demand for mass transportation to and from national defense projects is the new 117-passenger "Victory Liner." Gene Allen, general manager, Eastern Lines, The Santa Fe Trail Transportation Co., who designed this tractor-trailer

bus, has used a new principle in "fifth-wheel" application by installing a locking device that assures against "jack-knifing." The bus is powered by a standard heavy-duty tractor, and the principal material used in the specially-constructed body is wood. It was built in the S.F.T.T. Co.'s shops in Wichita, Kansas.

to discourage short-stay southern vacationers). The multiplicity of return limits in different territories—ranging from 15 days to a year—and the diversity of limits applying with different rates on the same destinations have been a perennial source of bewilderment to the public, confusion to ticket agents, and headaches to auditors. Hence the step of these roads to unify round-trip limits at 90 days.

Net effect of the changes is to raise the cost of travel substantially from Chicago to Florida. Typical Chicago-to-Florida round-trip coach fares for a quickie winter vacation are up 14% to 53%, and typical round-trip first-class fares of the same general group are raised \$5 or more. Typical one-way fares to the South are boosted 20% to 23%.

NO DRAFT INTENDED

Herbert R. Weller, U. S. Employment Service manager at Youngstown, Ohio, who was quoted as predicting that steel mills would draft workers (BW—Sep. 12'42, p7), explains now that he did not use the word "draft."

Rather, he expressed an opinion, reflecting a previous "prediction" by War Manpower Commission Chairman Paul V. McNutt, that the present voluntary acceptance of war jobs by noncritical workers "might not be voluntary much longer."

Youngstown's labor shortage—2,000 men needed immediately—is duplicated at Canton, Ohio, and seems to be spreading to other areas heavily devoted to basic industries. Weller pointed out that any "draft" would not be confined to Youngstown, but would be on a national scale.

Rent Ceiling Row

Landlords' dull meeting in Chicago indicates that N.A.R.E.B. will have to carry ball in fight to win OPA modifications.

Ever since OPA imposed rent ceilings, real estate owners and managers have been emitting anguished cries. The Greater Detroit Property Owners and Taxpayers Assn., for instance, was organized in the early summer with dues of \$1 to \$5 monthly and an objective of 200,000 members (BW—Jul 25'42, p28).

• **Complaint on Base Period**—Funds were collected for fighting what the organization called unjust and confiscatory rent ceilings. Also a protest to move forward the rent pegging date from April, 1941, to March, 1942, was filed in Washington by a group of petitioners that included the new association, two big trust companies, two

hundred individuals, and a freshwater college owning an apartment building.

Tenor of the Detroit claim is that 1941 rentals were 5.5% below 1937, only 0.08% above the '38-'42 average and that maintenance costs have increased far more since then.

• **Rise of 4½% Sought**—Similar yelps and squawks arose from all quarters of the land. Chicago landlords rallied at protest meetings on the North Side, West Side, and South Side to moan that their annual take was cut \$12,000,000 to \$30,000,000. The Chicago Real Estate Board prepared a petition formally requesting an increase of 4½% over the ceiling.

Next in line came a ruckus over OPA's proposal to compel large down payments on sales of tenant-occupied single family homes. OPA's purpose was, of course, to set these high enough to freeze out the smart landlord who shifted his tenant to a sales contract with no down payment and a monthly payment higher than the permissible ceiling rental.

• **Tax Help Expected**—Aside from the understandable reluctance of property owners to have their freedom of pricing restricted after the long lean years of the decade just past, the real estate folks have been deeply worried about having rentals controlled while the sky remained the limit on wages. The boys are reconciled to higher taxes and feel sure that rent ceilings will be allowed to move upward enough to compensate for these.

They have no such implicit faith about getting upward adjustments to take care of past and future increases in the wages of janitors and mechanics. Such wages constitute so high a fraction of the costs of apartment operations that the landlords consider them a real menace to continued solvency.

• **Landlords Apathetic**—To cope with problems of this sort, the National Federation of Property Owners Assns., was organized recently in Chicago. This week the National Federation of Property Owners Assns. held, at Chicago, its first conference on rent control, taxation, and other problems. In attendance were OPA big shots from Washington—but a relatively light sprinkling of property owners from outside the Windy City.

The impression left by the rather listless meeting was that the buck for revision of ceiling base dates and the worrisome procedural difficulties will be passed to the National Association of Real Estate Boards—with or without financial aid from the N.F.P.O.A. And it looks like the buck has been caught; to hash over the entire subject with governmental authorities, all presidents of local real estate boards were summoned to meetings in Washington, under N.A.R.E.B. auspices, on Sept. 17 and 18.

Airplane Facts

Army hits back at critics.

U.S. leads world on points in design competition, but trails in some important categories.

Criticism of American airplane performance seemed until recently to be good medicine for crustaceous battleship admirals and sword-and-pistol generals. Well-aimed jibes of increasingly-informed press, public, and congressmen were endured by the military air arms until they found that their air combat crews suspected they were being let down, in a too literal sense, by the design authorities.

• **No Gag**—With that justification, the Army last week got into full swing a counter campaign, leading off with a radio polemic by World War Ace Capt. Eddie Rickenbacker and an official evaluation of U. S. combat planes by John J. McCloy, Assistant Secretary of War. In the back of some official minds was a plain wish to gag the critics under war laws, but no threat was uttered. Democracy won and both sides are shooting with ballyhoo machines.

Criticism of the airplanes ties in with the radical air power group's contention that metal and labor should be shifted from old-line weapons to a great fleet of planes which would smash the enemy from aloft, with only minor surface op-

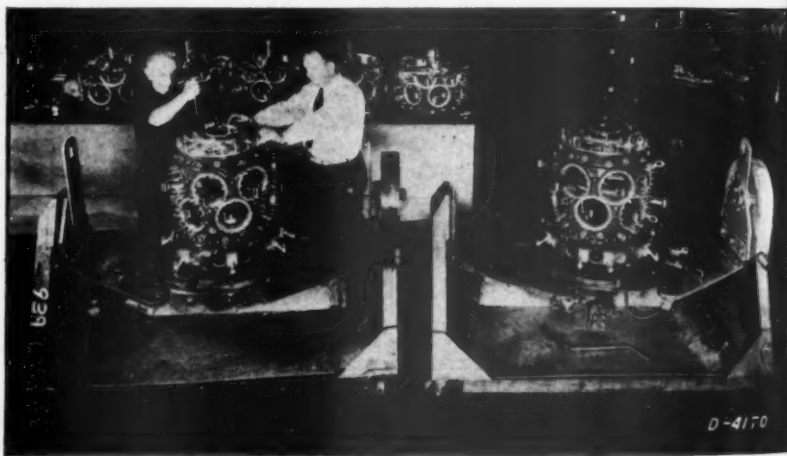
erations. Though this war or the next might end that way, United Nations strategists certainly will make no abrupt shift to air power now.

• **U. S. Ahead on Points**—But the facts of airplane performance are clear enough when handled without prejudice, as they seldom are. Actually, the United States is leading the field on points in the design competition. But it is now clear that we have lost some major events.

In transport, a vital weapon in the war, our forces were sound asleep. But by taking over the phenomenal experience of our domestic and foreign-service air system, plus a goodly portion of its equipment and men, and then by jumping the percentage of transport planes from 2% to 30% of factory orders, the Army finds itself leading the world in that category.

• **Lesson at Dieppe**—Our two medium bombers, the Martin B-26 and the North American B-25, are beyond argument the world's best. They are fast, long-range, carry a good load, are tough as a bull's horn, and can double as torpedo bombers. Likewise no fault is found with the Lockheed Hudson and Martin's 167 Maryland and 187 Baltimore, all three effectively used by the British.

Army and Navy low-level attack and dive bombers, especially the Navy's Douglas SBD Dauntless and the Curtiss SB2C Helldiver, and the Army's lively Douglas A-20 win praise on all fronts. Our officers seem to have erred in contracting British contempt for dive bombing, after the failure of the Stukas over



ENGINE INTERCHANGE

Definitely to prove that all parts for particular models of Pratt & Whitney aircraft engines are interchangeable, whether made by Buick, Chevrolet, Ford, or P & W itself, two of the big air-cooled jobs were sent down the production line and assembled with 8,500 parts each from Chevrolet and P & W in 50/50 proportion. After a

successful "green" test under power, they were torn down, inspected, re-assembled in their "composite" form, final-inspected, and sent on their way for war duty. Similar composite tests, equally successful, were made with parts manufactured by Ford and Buick, assuring both Army and Navy field maintenance men of complete engine interchangeability, wherever built.

"Unforeseen events . . . need not change and shape the course of man's affairs"



TAKE IT BY THE HORNS

SERIOUS TIMES have fashioned serious facts for us to face. Realities that can't be brushed aside . . . that must be taken "by the horns." And the sooner the better.

One of these realities is the matter of making a will, of safe provision for one's heirs—a vital matter in a hazardous and changing world, a world at war.

Nor does the thinking man stop with half

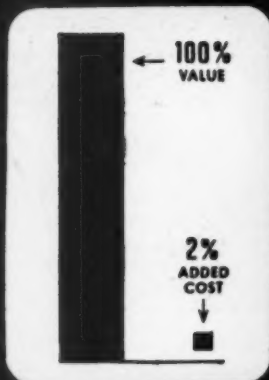
measures in the protection of his estate. He and his lawyer make certain that the executor named in the will . . . even if he is a close friend . . . is covered by a judicial bond backed financially by a company such as The Maryland.

The Maryland issues every form of judicial bond—for executors, administrators, guardians, trustees and receivers. Ask your agent or broker. Maryland Casualty Company, Baltimore.

THE MARYLAND

Practically every form of Casualty Insurance and Surety Bond, for business, industry and the home, through 10,000 agents and brokers.

SO MUCH FOR SO LITTLE



The finest L. L. Brown bond, instead of ordinary paper, adds only 2% to letter costs, but makes correspondence 100% in character, prestige, impressiveness. Your printer will be glad to furnish you with L. L. Brown papers.

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100% New White Linen & Cotton Fibres

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100% New White Linen & Cotton Fibres

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100% New Cotton Fibres

GREYLOCK BOND

75% New Cotton Fibres

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50% New Cotton Fibres



* Premium grades

England, and did not provide enough of them. This fact was apparent at Dieppe.

• **Short Ranges Unforeseen**—Our shortcomings are confined almost entirely to heavy bombers and fighters. We are least at fault in bombers. Our officers are more or less excusable for planning only long-range, light-bomb-load planes for the defense of this hemisphere. They did not foresee that we would fight at short range in other parts of the world. Thus we have two four-engine bombers, the Boeing B-17 and the Consolidated B-24 which carry only three or four tons of bombs in contrast to five and eight tons capacity of the British Halifax, Lancaster, and Stirling.

The B-17 seems to be our finest contribution to the art of air war to this date. Its range is at least 3,000 miles, its ceiling at least 30,000 feet. It is heavily armored, is bristling with guns pointed in all directions. In a fight with pursuit attackers it maneuvers lightly and it is tied together like the old Boeing 24's that flew the airlines for nine years and are now in the Army. These B-17's can be shot to pieces, but the pieces don't fall apart.

• **Weak on Fighters**—While our long-range bombers are invaluable in the East, they are inadequate alongside the British and German high-lift, short range bombers now fighting over Europe at night. But the Boeings are giving the British a good show of accuracy with their Norden bombsights from great altitudes. They can work only by day, clear days at that. Time may show that day bombing of selected targets will be more effective than indiscriminate night barrages on anything or nothing.

Despite a lot of whitewash by air officers and manufacturers, we are deficient in fighting planes. It all stems back to the Army's delay in getting to work on liquid-cooled engines, and to the subsequent failure to get the Allison engine up to anywhere near the 2,000-hp. to match European power plants. Result is that, with 1,350-hp. liquid-cooled engines, our two main fighters, the Curtiss P-40 series and the Bell Airacobra, can operate only at low and medium altitudes.

• **Airacobra Feared**—The Airacobra was designed as a low-altitude fighter and its great fire power and maneuverability, due to the fact that its engine is behind the pilot on the center of gravity, have made it feared by the enemy everywhere. The P-40-F has been equipped with a Rolls Royce engine which takes it up high, but the rest of the fighter series has to depend on superior armor, gunpower, ruggedness, and leakproof gas tanks to win battles.

The Army has tried to rush into the high-altitude breach, which it saw too late, with two new fighter planes. One is the Lockheed P-38 Lightning, which has two Allison engines. It has the altitude

and the necessary 400 m.p.h. speed, but like all two-engined planes, it is no match for the maneuverable single-engined fighter.

• **No Reports on P-47**—Army's other new fighter is the huge Republic P-47, based on a six-year-old design by Alexander de Seversky, once president of Republic. This plane has a 2,000-hp. air-cooled engine, as much speed as there is in the world, great firepower, and probably all the maneuverability the pilot can stand. No reports are available on its performance so far. It may outfight anything in the world. But not till next year some time, for the sad reason that it is just getting into production.

A third effort to excel the Messerschmidt, the Focke-Wulf, and the Spitfire is the Navy's new Sikorsky F-4U Corsair shipboard fighter, equipped with a 2,000-hp. engine. Practically no information is available about this fighter except that, like the P-47, it is just getting into production. It is probably equal to the P-47, except for the handicaps inherent in ship-based planes.

• **Zero No Match**—Best example of necessary compromise in airplane design is the Japanese Zero fighter. It is true that this job has been flying rings around our fighters, getting up higher, doing it quicker, and out-turning us. But it's a sleazy boxkite, with no armor until recently, light guns, no bulletproof gas tanks, light and ineffectual radio, and not even a parachute for the pilot.

Result is that it is beaten in most contacts with the Americans because our gunpower and armor and good radio enable us to stay in the fight while the enemy dies or his ship unravels. All of our airplanes carry full protection and lots of weapons and ammunition for the pilot, so he can live to fight again. The German and Japanese notion that pilots are expendable, may, in time, go far to help our heavy planes to beat them. Our engineers are aiming to get the speed and height and keep the weight of firepower and armor.

No. 3 Steel Case

J. & L.'s resistance to the union's demands is traceable to determination that there'll be a clear-cut appeal to OPA.

Customary demands of C.I.O. United Steelworkers of America followed a customary route when the Jones & Laughlin Corp. dispute went to the National War Labor Board. America's No. 3 independent producer was providing the third major steel squabble to go to Washington, but—while a familiar case was following a well-worn path—a difference was discerned.

• **New Motives**—Industry observers felt



The library where books are *bottles*

ON THE outskirts of Louisville, Kentucky, is one of the strangest libraries in the world. Its "books" are bottles. And in them is the greatest collection of whiskey information ever assembled.

For this is the Calvert Library of rare blending stocks. It contains samples of every one of the 151 superb whiskeys, and the 102 mellow grain neutral spirits, from which we select the magnificent Calvert blends. It represents the world's largest reserves of fine stocks.

There is no similar classification in existence . . . and because of it, no other whiskey is just like Calvert.

You see, with the Library's whiskey-lore at their fingertips, Calvert scientists can find the precise combination of qualities for the perfect whiskey. They can choose and match samples for harmonies of flavor and bouquet, for *congenial* characteristics that will merge into a smooth, delightful blend. Hence the gloriously-rounded flavor, the satiny smoothness, of Calvert whiskeys!

This unique Library is a symbol of Calvert's infinite care to give you nothing less than perfection. It expresses the painstaking skill that Calvert scientists devote to *every* Calvert operation. And in this un-

compromising ideal lies your assurance that Calvert quality will *always* be supreme.

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of Blends

BLENDED WHISKEY Calvert "Reserve": 86.8 Proof—65% Grain Neutral Spirits... "Calvert "Special": 86.8 Proof—72½% Grain Neutral Spirits.
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THE SYMBOL of DEPENDABILITY SINCE 1856



Through three major wars and now the fourth

Civil War

Farm implements, plows, etc., Farquhar's line in 1861 helped feed our armies in the war between the states. Farquhar also provided the wooden caskets for our honored dead at Gettysburg battlefield.



Spanish-American War

Farquhar boilers, steam engines, tractors and farm implements helped "Teddy" free Cuba in 1898.

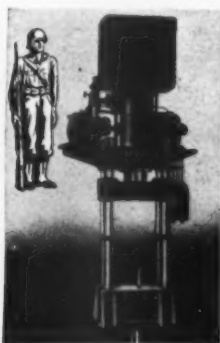


World War I

On the production front again in 1914 Farquhar smokeless powder presses, boilers, sterilizers, machine tools, shot trucks, and farm implements helped lick the Kaiser's hordes.



...and now World War II



Today in the second world-wide conflict Farquhar has again enlisted for the duration. Our job is turning out more war equipment and machinery of the highest quality to speed our armed forces.

All types of Farquhar Hydraulic Production Presses

are built for 3 to 7200 tons capacities: for smokeless powder blocking graining and finishing, for shell and cartridge case piercing and drawing, for gun and shaft straightening, forging, extrusion, blanking and forming of airplane parts, ship building and all other types of metal working.

All these in addition to Farquhar's regular line of "Iron Age" farm implements, and Portable Conveyors are doing their part in today's battle of production to lick the Axis.

A. B. FARQUHAR CO., Limited, York, Pa.

that new motives were behind the company's adamant stand on the same issues that were decided for the union in the Little Steel Case (BW—Jul.22'42, p80) and later in the U. S. Steel Corp. case. If the steel workers won this heat, it was pointed out, J. & L. would be armed with reasons for going to OPA with a demand for higher price ceilings.

In the Coal Truckers Assn. and Mine Timbers Assn. cases, NWLB awarded employees retroactive wage increases which are conditional on OPA's granting price increases. OPA responded to this ruling by declaring that it had no intention of increasing prices retroactively. It reiterated its stand that only wage increases actually ordered by NWLB would be taken into account in puncturing a price ceiling—conditional orders are not enough (BW—Sep.12'42, p13).

• **Company's Position**—If J. & L. goes to OPA with a petition for higher prices, it does not want to apologize for having tendered its employees a wage increase voluntarily. It wants any wage adjustment it makes to be dictated by a government agency. This was Pittsburgh's widely accepted reason for the impasse in negotiations, for precedents give the steel workers an overwhelming advantage with NWLB on questions such as those involved in the J. & L. case.

Negotiations at Pittsburgh broke down after several weeks on the company's refusal to make the 44¢-a-day pay hike retroactive to last February, as provided in the two previous major awards. J. & L.'s proposal to make the boost effective Aug. 9 was thumbed down by union negotiators. The company offer was based on the expiration date of the previous contract under the "escape" clause invoked by the union.

• **Other Questions**—Other issues at stake were U.S.A. insistence on maintenance of membership and checkoff of union dues, which the company described as "fundamental questions." The union has held exclusive bargaining powers with J. & L. since 1937.

J. & L. was, in fact, the first major steel producer to recognize what was then the Steel Workers Organizing Committee as exclusive bargaining agency for all its production and maintenance employees. On the heels of its precedent-setting agreement with Big Steel in March, 1937, S.W.O.C. backed up its demands on J. & L. with a strike, which was ended by a victorious Labor Board election.

Involved in the dispute are 30,000 workers in five plants located at Pittsburgh, Aliquippa, Pa., McKeesport, Pa., and Cleveland. The Ohio plant is part of J. & L.'s newly-acquired Otis Division (BW—Mar.21'42,p85).

Retroactive demands of the union amount to \$1,980,000 in back pay, while the general boost would total approximately \$3,432,000 annually.

Auto Plants Spurt

All-time peaks reached in employment and output. Five companies to turn out completed aircraft; tooling near end.

Employment and output in the automotive industry, ballooned by the swelling tide of war work, stand today at the highest levels in history. A recapitulation by the Automotive Council for War Production shows that current operations are at an annual rate of \$5,400,000,000, up 32% from the average during 1941, peacetime peak year. And payrolls, mounting by 40,000 men and women per month, aggregate close to \$50,000 today, approximately 25% ahead of last year's comparative figure and about 10% up from previous peak.

• **August Output Up**—During August, the figures showed, average daily war output came to \$14,500,000, compared with \$13,600,000 during July, achieving a total for the month of \$450,000,000, compared with \$414,000,000 during the preceding month. This \$36,000,000 gain is restricted as to categories. But all types of output moved ahead toward levels which, a year from now, will be more than double present going rates.

An indication of what a \$36,000,000 jump in one month means is furnished in analysis of what that sum would buy. Setting aside around \$4,000,000 for shell casings and miscellaneous arms requirements, the July-to-August gain is the equivalent of 100 more tanks, 50 sets of bomber subassemblies, 100 aircraft engines, 150 marine motors, 1,000 military vehicles, 100 anti-aircraft cannon, 100 tank and antitank cannon, and 500 machine guns.

• **Five Fully Integrated**—The A.C.W.P. recapitulation pointed out that no fewer than five automotive companies now hold contracts to produce complete aircraft of various types. Two companies are nearing the ends of tooling programs. Seven are building aircraft engines in volume; two others are preparing for such work. Nine are in manufacture of fuselage subassemblies.

Twenty-nine companies are producing military vehicles—seven building combat cars, half-tracks, tank destroyers, and other armored units. Eight companies are making tanks in medium, light, amphibian, and special purpose types. Six are building marine engines, and of these one company is supplying more than half the Diesel engines required by the U. S. Navy.

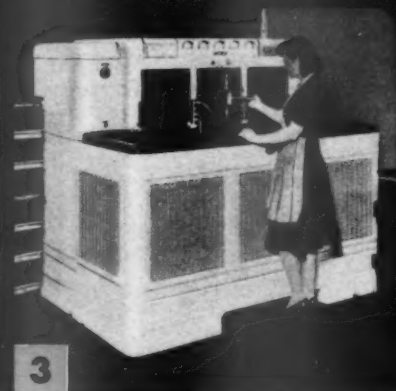
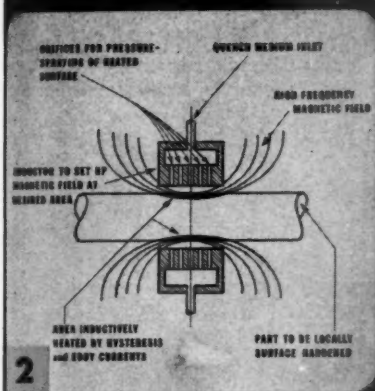
Seven automotive companies are in production on artillery pieces; eight are manufacturing gun carriages; eight are making small arms, and scores are manufacturing shells and ammunition.

**HARDENED by
TOCCO
IN 90
SECONDS**



1
This 14" sprocket is hardened by TOCCO in 90 seconds—1/6 the time required by former hardening method. High speed of TOCCO Induction Hardening is result of: (1) almost instantaneous heating, (2) heating only the area desired to be hardened, (3) quenching without moving piece.

How TOCCO increases output and improves the product



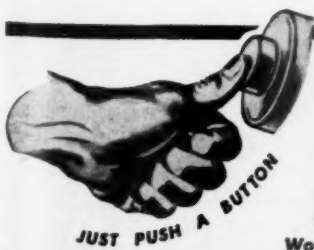
2
How TOCCO works. Inductor block with integral quench surrounds part or section to be hardened. Width and location of hardened areas are determined by design of holding fixture and inductor block. Depth of heating is determined by power input and heating time.

3
TOCCO Hardening is completely automatic. Controls pre-set. Push-button operation. Skilled operator not required. Rapid heating and quenching practically eliminates distortion. Improves working conditions because it is cool, clean, compact.

4
TOCCO is being used extensively for hardening armor-piercing shot and for other ordnance heat-treating work. TOCCO savings on one contract often pay for machine. Can be adapted to post-war products by simple change of work fixture.

Complete information in "The TOCCO Process" booklet. Free on request.

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TOCCO

World's Fastest, Most Accurate Heat-Treating Process

**HARDENING
ANNEALING
BRAZING
HEATING for
forming and forging**

Sharing the Tools

Yield of surplus equipment from the auto plants falls below expectations, but WPB is able to cite real achievements.

Distribution of the automobile industry's surplus machinery under WPB auspices has been going on long enough to show what the score is. On the accomplishment side of the ledger is the fact that equipment from Detroit plants is helping to build bombsights in Massachusetts, bomb fuses in Wisconsin, something else in West Virginia. Automotive presses, welders, and miscellaneous tools have enabled important operations to get under way in many sections of the country.

• **Hopes Not Realized**—Against this, set down the fact that hopes held early in the year—when the auto companies, through the Automotive Council for War Production, pledged themselves to sell or lease machines not immediately required for war work (BW—Jan. 31 '42, p16)—have come nowhere near realization. Some 225,000 pieces of equipment were eventually listed with the council's Machine Tool Listing Service. Up to September, only some 9,000 pieces of all sorts had been moved from their peacetime location.

Any automobile manufacturer will tell you that he has plenty of surplus equipment for sale, but that what he would like to get rid of is readily available elsewhere. Needs of war contractors center around 20 critical machines, with milling machines and turret lathes heading the list.

• **Who Gets What**—Only about half of the equipment that has been moved has been machine tools. Outright sales of machines to firms outside the industry have been fewer than transfers from one corporation plant to another or to subcontractors. For instance, five auto manufacturers transferred 4,900 actual machine tools up to Sept. 1. Of this total, two concerns moved 4,500 machines—one third to outside concerns, two-thirds to other corporate units.

The implication is plain: the owners of desirable equipment had an immediate use for it in most instances.

• **Adverse Factors**—When application has been made to certain companies for specific machines, the reply has been "We have frozen everything because we are expecting to get a new contract." On the other hand, major interests have leaned over backward to dispose of units not scheduled for immediate use—even though they knew that embarrassment would soon result.

Contributing to inability of auto firms to release equipment is the fact that the military services have not been

efficient in notifying unsuccessful bidders that a contract has been awarded elsewhere. If six concerns have bid on a job, five companies may have equipment tied up for appreciable periods until they learn that the business has been closed. Dilatory tactics in placing contracts for what appear to be most essential weapons have also been responsible for keeping machines idle.

• **Paper Work**—The fact that equipment is entered as available in machine tool listings can be misleading because of the ebb and flow of the owner's requirements in bidding on new work, and because the time is simply not available to keep up a perpetual inventory. It has been aptly said that the war will be lost if industry is saddled with much more paper work. But there is scant sign of any reduction in questionnaires. Each month, the government issues approximately 250 new forms that bureaus regard as essential.

Major automotive concerns are required in some months to make up to 100,000 reports in as many as 16 copies. Because of this, responsible government executives have discouraged the keeping of perpetual inventory records for surplus machines. The men who must supervise the effort have the more important job of getting war plants into production.

• **Specific Requests**—Although the critical machines which everybody needs

and few have for sale probably never exceeded 5% of the total available equipment listed with the Automotive Council for War Production, the auto companies individually and the Detroit regional office of WPB have plugged away at meeting specific requests for all sorts of items. If a war contractor must have a line of say 200 machines, then he must look to the machine tool industry. But Detroit has been helpful in digging up a couple of machines for firm A, perhaps four for firm B, or tools and accessories for firm C.

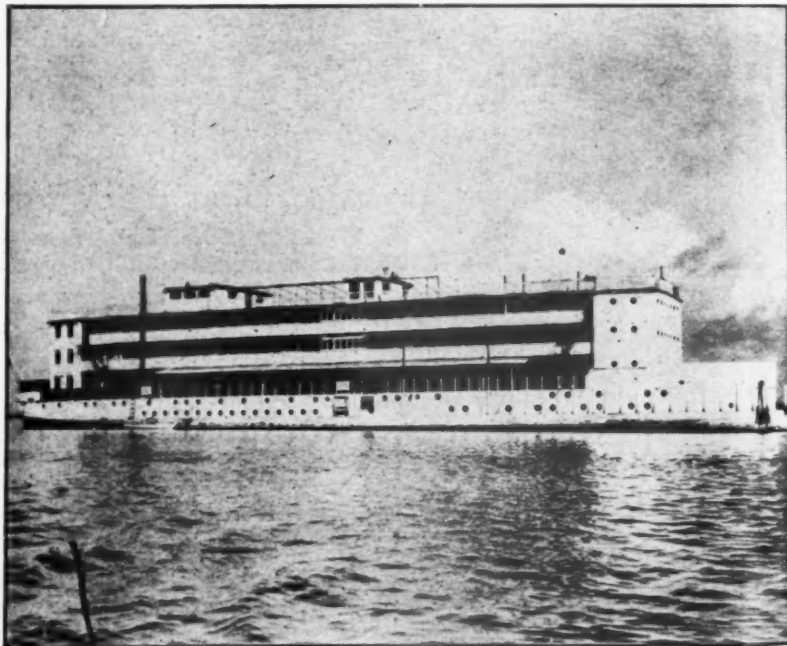
From Feb. 2 to July 5, the Machinery and Equipment Section of WPB at Detroit located 612 major machine tools and 561 other items for 9 auto companies, 1 body company, 14 auto parts plants, and 141 miscellaneous manufacturers. Its help was not confined to concerns in the Detroit area.

• **Some Figures**—Equipment transfers under the Detroit Regional Office, WPB, show these results:

Critical machines: 508 sold by Detroit companies, 96 sold by non-Detroit companies, 402 located for Detroit area firms, 265 located for outside firms.

Other machines: 568 sold by Detroit companies, 218 located for Detroit area firms, 345 located for outside firms.

• **How Help Is Given**—Search for needed machines is conducted by WPB industry-trained experts. Reports of field engineers, surplus-machinery re-



FLOATING HOTEL

New relief for war-crowded Washington is a 75-room floating hotel-apartment, towed to the Capital from Fort Lauderdale, Fla. The 265-foot-long structure which originally cost \$350,-

000, will be berthed along Maine Ave., S.W., in the 800 block for permanent address and occupancy. Each room aboard this gigantic houseboat is about 15 ft. square and is equipped with running water and lavatory. Some rooms have baths.

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• • •

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ports of used-machinery dealers, contacts in industry, imagination and hard work, rather than reliance exclusively upon original machine listings of the auto industry have produced these results. When equipment officers of auto firms are called upon for help, the exact status of a given item is checked, even though it may mean work both at headquarters and in the plants.

No case is closed until the manufacturer asking aid gives up the search. Often WPB engineers show the "client" how to reprocess the task so that he will not need the requested machinery. Sometimes they locate subcontractors for him.

• **Subcontracting**—With Detroit currently engaged 95% on war work, the job of finding subcontracting facilities is almost over. The summer box score on WPB's assistance to Detroit industry with respect to contracting follows:

	June	July	Aug.
Prime contractors located. . .	14	10	13
Subcontractors located. . . .	91	88	225
Subcontract orders procured. .	476	537	299

The task ahead is one of leading known subcontractors to achieve continuous operation of facilities. Visitors to the WPB exhibit rooms are declining in number, and there are fewer displays of work for which subcontractors are wanted.

Through monthly checkups, WPB engineers learn whether a firm is overloaded, whether it needs more work, and whether it needs help with tooling methods or in building up shop efficiency.

PLANT DRIVE HITS SNAG

The council recently organized in Cleveland to coordinate the work of plant committees in the War Production Drive (BW—Sep. 5 '42, p80) has proved short-lived. Dissolution followed the refusal of A.F.L. and C.I.O. leaders to "recognize" independent unions as "legitimate labor organizations."

Mayor Frank J. Lausche, unwilling to forego the advantages believed to be inherent in an over-all community program for the labor-management committees, was considering a new plan this week. The mayor has a War Production Committee of his own, which includes C.I.O., A.F.L., and big industrial members. Lausche hopes that this committee, if broadened to include a member from the Mechanics Educational Society of America or one of the other independents, may be able to head up the War Production Drive as the council's successor.

In a recent brief but disturbing work stoppage by members of the M.E.S.A. at Cleveland Graphite Bronze Co., Lausche felt he was stymied in mediation efforts by the fact that his committee included no unionists except A.F.L. and C.I.O. men.

Help for Lumber

WPB-NWLB attempt to stabilize conditions in mills and forests of Pacific Northwest should aid WMC labor freeze.

Lumber operators in the Pacific Northwest—responsible for close to half the country's production—are eyeing hopefully the efforts of a special panel recently appointed by the National War Labor Board (at the behest of WPB) to bring labor stabilization to the industry. If the board's objectives can be achieved, the effect on lumber production in the area will be almost as important, observers believe, as the order issued last week by Chairman Paul V. McNutt of the War Manpower Commission freezing lumber labor in the twelve western states (BW—Sep. 12 '42, p7).

• **Uniform Contracts**—In stressing this view, observers were merely agreeing with WPB which, in its directive establishing the project, said it is satisfied "that what is needed more than anything else in the Pacific Northwest lumber industry is an industry-wide stabilization program characterized by uniformity of wage rates, working rules, contract dates, and employer-employee relationships."

The War Manpower Commission's job-freezing order should stop the migration of labor from the forests and mills to the shipyards; the WPB-NWLB effort, if it pans out, should establish uniformity in wages and working conditions and reduce the number of labor disputes.

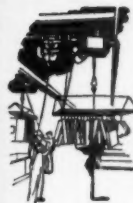
• **Morse Put in Charge**—The panel is in a position to launch a stabilization program, with operators and unions participating. Wayne L. Morse, public member of NWLB, dean of the University of Oregon law school, and long a close observer of labor relations in the Pacific Northwest lumber industry, was given the job of appointing the panel and running the study.

This week Dean Morse announced as the personnel of the panel J. E. Fadling, vice-president, C.I.O. International Woodworkers of America; D. F. Pearson, assistant secretary, A.F.L. Northwestern Council of Lumber and Sawmill Workers; Prof. N. P. Feinsinger, University of Wisconsin; A. J. Schweppe, Seattle attorney; and Dean Ballard, Seattle Chamber of Commerce labor relations specialist.

• **Production Centers**—When lumber authorities refer to the West Coast industry they are thinking chiefly of operations in the Pacific Northwest, in Oregon and Washington—largely Douglas fir, hemlock, western red cedar, and Port Orford cedar. In the area covered

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by the WMC job-freezing order, those two states are responsible for well over 90% of total output. While Oregon and Washington each produce about 20% of the nation's total supply, California produces 6%, Montana and Idaho, between them, about 4%.

The drain of labor from lumber had reached such proportions during the first week of September that the Pacific Northwest industry was short about 15,000 men. Some 40,000 are working in the logging end of the business and 35,000 in the mills. To produce the lumber demanded by schedules of the Army and Navy, about 90,000 workers should be on the job. For the eight months through August, the Northwest's lumber output has fallen 16% short of the influx of war orders—fact which accounts for WPB's weekend decree of a 48-hour work week.

• **Labor Losses Soar**—West Coast Lumbermen's Association (the trade group for virtually the entire Pacific Northwest industry) figures that during the last six weeks the combined output of 45 of its largest member-operators dropped 28% as a direct result of manpower losses. One of the largest mills in Washington reported a 100% labor turnover in its logging operations and 32% at the mill during the six weeks period.

Despite the labor handicap, the Pacific Northwest lumber producers have managed to maintain output so far this year remarkably close to 1941 levels. Cumulative production for first eight months was 5,894,573,000 b. ft. compared with 5,870,221,000 in 1941 and 4,926,767,000 in 1940. Shipments totaled 6,463,756,000 compared with 6,039,960,000 last year and 5,066,725,000 in the first eight months of 1940.

• **Draft on Inventory**—The weekly average of production in August was about 89% of estimated capacity compared with 84% in July. Weekly shipments in August fell off from July by about 10,526,000 b. ft. That the rate of shipments is being approximately maintained at the expense of inventories is indicated by the fact that gross stocks on hand at the end of August were down to 571,970,000 b. ft. compared with 622,377,000 at the end of July.

The WMC job freezing order will maintain the present supply of manpower, of course, but whether the industry will be able to attract the additional men needed depends largely on the results of the WPB stabilization effort. The wage situation is complex because the C.I.O. and A.F.L. are continually maneuvering for power and prestige in lumber.

For instance, the A.F.L. (that is, the Northwestern Council of Lumber and Sawmill Workers) signed a contract with a group of mills a year ago Sept. 1 which gave the union the opportunity to demand wage adjustments every four

months (which it has been doing). The last raise, granted last spring after considerable bickering and a hearing before the NWLB, included a retroactive clause giving their members back pay at the new rate from Jan. 1, 1942. This amounted to about \$50 a month and raised the hourly rate by 7½¢. Later, the C.I.O. International Woodworkers of America obtained a 7¢ raise (after a hearing before the NWLB). But because the C.I.O. general contract calls for terms from Apr. 1 to Apr. 1 it was retroactive only to that date.

To further complicate the wage setup, four Portland mills a few weeks ago voluntarily granted their A.F.L. workers a 5¢ boost, raising the hourly minimum from 82½¢ to 87½¢. Now the A.F.L. is asking \$1.05 an hour, a demand which the operators have rejected. The C.I.O. is demanding 95¢. Both actions are before NWLB.

Not Enough Fish

Supplies won't be large enough to substitute for meat, particularly in inland areas, after filling military needs.

With meatless days apparently just around the corner, government men are taking stock of the fish and fishery products situation, but they have little hope that the supply will be big enough to

fill the protein gap in the U. S. diet caused by a reduction in available meat for civilian consumers.

• **Fresh Fish Outlook Dismal**—As far as canned products are concerned—salmon and sardines—the supply situation can be pretty exactly documented, but the outlook for fresh and frozen fish, which accounts for 60% of the nation's annual fish consumption (averaging 15 lb. per capita) is decidedly not clear.

Total supplies of fresh and frozen fish will be limited by: (1) Navy acquisition of fishing boats; (2) lack of crew members—many of whom were aliens; (3) limitations on harbor facilities; and (4) necessity for convoying fishing boats in some areas.

• **Inlanders on Spot**—On the other hand, government men have learned to be careful—to qualify all statements about fresh fish supplies by making it clear they are talking about the overall, national picture. The local fresh fish picture varies from area to area; coast and lake areas probably will have healthy supplies. Inlanders, however, will probably have to use substitutes for fish.

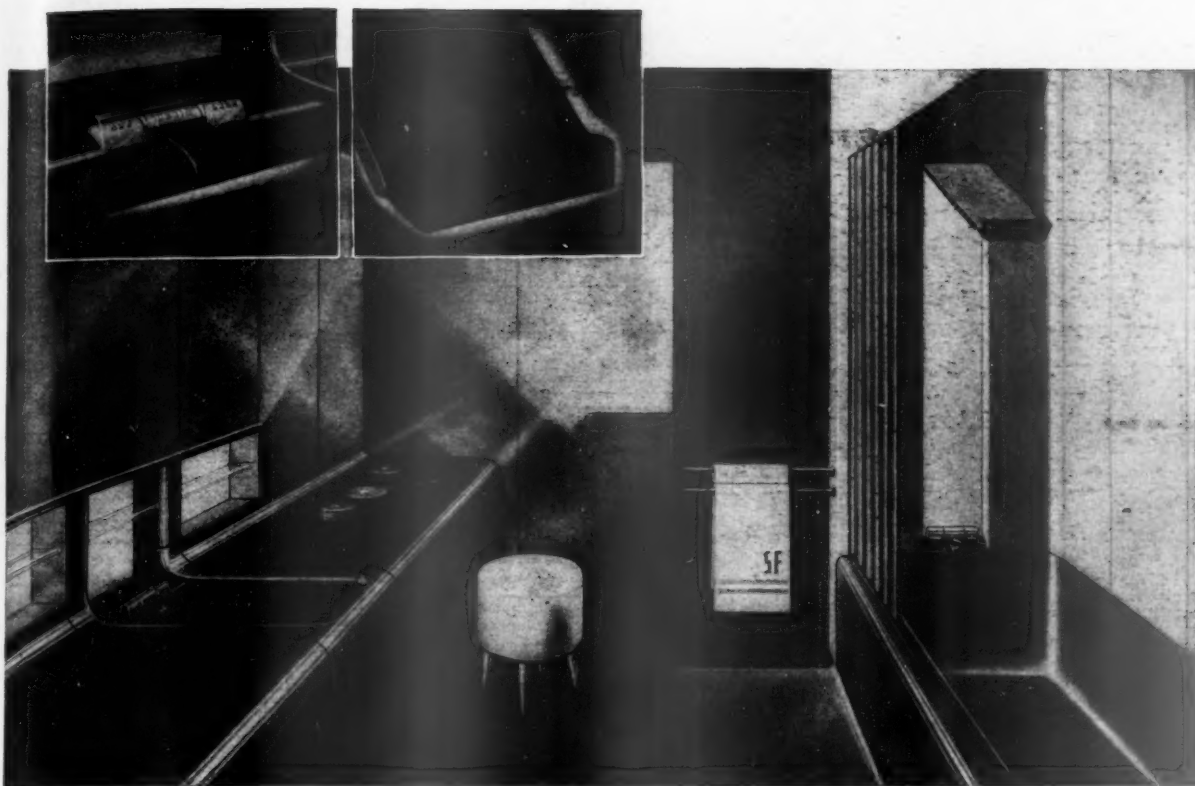
Salmon, of course, is by far the most important item in the processed or canned field. Latest government revised estimates indicate that the 1942 salmon pack will run between 5,500,000 and 6,000,000 cases. This would compare with the 7,300,000 case pack of 1941. At the same time, government requirements have been revised upward to approximately 3,200,000 cases—leaving from 2,300,000 to 2,800,000 cases for



GUARDETTES

The nation's manpower shortage was getting so acute that the Glenn L. Martin Co. in Baltimore started to

hire women guards last April. Inspecting the lunch boxes of workers as they leave the plant at the end of a shift is part of the regular work of these "guardettes."



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with really ample laundry and supply cabinets on the left. At right, you have a plastic shower which folds into the wall when not in use. In addition, this shower is adjustable in height, eliminating the need for shower caps.

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civilians if Alaskan deliveries are not curtailed by the war in the Pacific.

● **Spreading the Salmon**—Under any circumstances, civilians won't get any choice red salmon; the military forces will take all of this part of the pack. What will be left for civilians will consist solely of the cheaper pinks. Because pink salmon provides the greatest amount of proteins per dollar of cost, there was a move on foot in some government quarters to control its distribution—to see that it goes to civilians in inland areas, where fresh fish will not be so plentiful, but efforts to institute this type of control have thus far been unsuccessful.

Under the plan, special efforts would have been made to channel pinks into the inland south, where this commodity always has been a primary source of protein, or a rationing system on an income basis would have been established to channel salmon into the low income groups.

Incidentally many fish industry leaders in California are irked by the fact that, with a shortage of canned salmon in prospect, the Chinook salmon now running in the Sacramento river, which could supply some 50,000 cases, cannot be packed because of a state law.

● **Freeze on Salmon**—The entire 1942 packs of salmon, sardines, Atlantic herring, and mackerel were frozen in May by War Production Board order (M-86-b) to make sure that the government's needs were filled first. Under the original order, the government had to indicate its intention to buy the fish within 60 days after a canner reported to WPB on his total pack. After this period, the canner could sell to civilians if he had no government orders. Now this has been amended to put salmon under a permanent freeze. This specifies that salmon will be held indefinitely and until specifically released by the government for civilian use.

On the basis of current estimates, the Army, which traditionally uses salmon for one meal a week, will not have to dip into the sardine, herring, or mackerel pack. This means that these products can be split roughly 50-50 between lease-lend and civilian consumers. The tuna pack was written off a long time ago as far as a primary source of fish products is concerned. The country will be exceedingly lucky to get one-fourth of last year's pack. Mackerel prospects are just fair.

As for the sardine situation, early reports were optimistic on the size of the pack. But now the picture is turning blacker. The all-important California production of canned sardines, more critical than ever with the shutoff in imports, is likely to fall short even of government buying allotments leaving little or none for civilian needs, according to worried West Coast spokesmen.

Reason is that, because price of

sardine fish meal and oil has risen from about \$72 a ton last year to \$80 a ton this year, sardine producers are diverting a larger proportion of their catch to these byproducts. So far producers have been canning around 3.56 cases per ton of fish caught as compared with 5.83 cases per ton last year.

A check last week among processors in Monterey and San Francisco, the two principal California areas, indicates that the amount of sardines canned to date is running less than half of that of last season. The total catch is expected to be about two-thirds of last season's.

In 1941, some 3,500,000 cases were canned in California. This year, not only will the pack be smaller, but the government says it intends to buy 2,500,000 cases. That is why industry observers are inclined to see California sardines vanishing from grocers' shelves unless producers decide to allot a greater proportion of their supply to cans rather than meal or oil. There are, after all, available substitutes such as herring meal, menhaden meal, and soybean meal.

• **Fish Authorities Aplenty**—While the nation's fishing industry is doing its best to bring in maximum supplies, various agencies in Washington dealing with fish industry problems have been trying to get together on an effective organization. When Donald Nelson set up the Food Requirements Committee under Agriculture Secretary Wickard in June, he left fish and fish products out of consideration, promising another directive later.

In July, President Roosevelt issued an executive order naming Secretary of Interior Harold L. Ickes, whose department includes the peacetime Fish and Wildlife Service, as Fishery Coordinator with what appeared to be broad, over-all powers. In August, Mr. Wickard, in the name of the Food Requirements Committee, selected Lawrence T. Hopkinson, Chief of the Fishery Section of WPB's Food Branch, to head a fisheries subcommittee of the Food Requirements Committee.

In addition to the above named agencies handling fish problems, the Civilian Supply Division of WPB has a man interested in the situation; OPA is dealing with price problems; and Mr. Hopkinson has his own separate industry advisory committee.

• **Coordinating the Coordinators**—Out of this muddle, government men hope the following working organization will develop: Mr. Ickes will handle the collection of all necessary information; this will be passed onto Mr. Hopkinson's requirements committee, which will draw up advisory policies to be passed on by Mr. Wickard's requirements committee; policies, when approved in this manner, will be carried out by WPB's Food Branch, which will serve as the actual operating agency.



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New transportation setup of Army and truckers' new Joint Information Offices cut waste in use of freight facilities.

Two weeks ago, a freight train leaving Chicago for San Francisco with a less-than-carload shipment of Army war material, would arrive ten to twelve days later. Today, the shipment arrives on the morning of the seventh day, as a result of the creation of the new Chicago Transportation Agency, one of three branches of the equally new Army Transportation Corps.

• **Joint Information Office**—Three weeks ago, private farmers' trucks bringing livestock from states such as Iowa used to travel back to the farm empty, using valuable tire and equipment while loads ten times their capacity would pile up waiting for other carriers. Today, these private trucks have been pressed into service and may not leave centers like Chicago without first offering to lease their space to other shippers through the truckers' new Joint Information Office, a central clearing house for shipping information.

Branches of the ATC have been opened in Detroit and Pittsburgh as well as Chicago. Information offices like that in Chicago have been opened in Detroit, Des Moines, and Washington.

• **Reorganization**—Anticipating the ship-

ping problems that increased war production would entail this fall, the Army reorganized its entire transportation setup. On Aug. 6 it created the Transportation Corps as part of the Services of Supply, with authority on a par with the Quartermaster Corps and Corps of Engineers. The new ATC is designed to supervise all transportation functions of the War Department.

The corps inherits the portfolio of the Transportation Service of the Army, established in March.

• **ODT's Effort**—Creation of the ATC branches in the three cities to expedite shipment of war materials dovetails with the Office of Defense Transportation's Orders 3 and 17, and with ODT's proposed Order 18 requiring maximum loading of trucks and railroad freight cars with civilian products. The ODT's Order 18 was to have become effective Sept. 10, but has been postponed to Oct. 15 to permit further revisions and clarifications.

It is expected that several commodities will be eliminated from the province of the order. In specifying maximum loading, the ODT insists that freight carriers be loaded to full visual capacity or marked load limit, whichever is the lesser.

• **Subsidiary Agencies**—Work of the new ATC branches in Chicago, Detroit, and Pittsburgh is to supervise the activities of four subsidiary organizations: the consolidating station, traffic control agency, highway agency, and regulating station.

The first of these consolidates less-

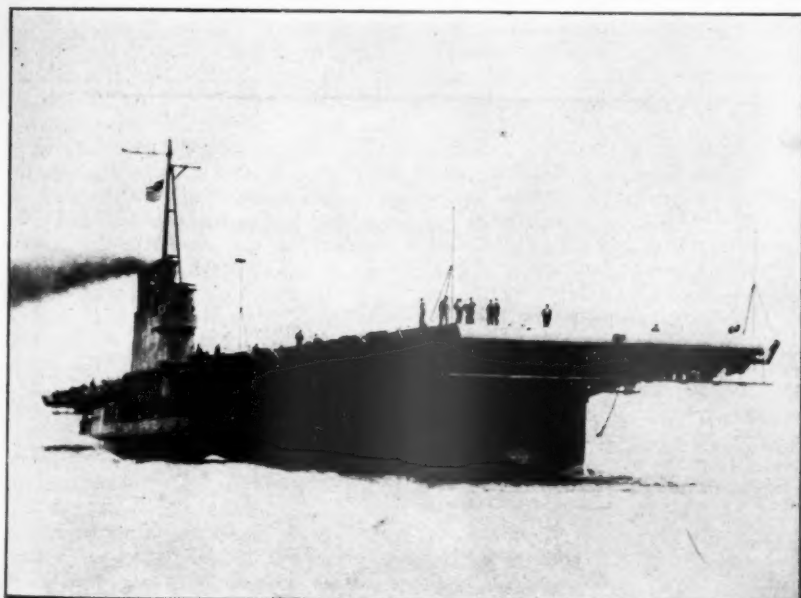


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REMEMBER THE SEEANDBEE?

Once the queen of the Great Lakes passenger ships, the S.S. Seeandbee cruises the Lakes again. Now it's the flattop U.S.S. Wolverine. Her

"brightwork" now battleship gray and her ornate superstructure gone to make room for the flightdeck, the vessel was commissioned last month. The Navy will use it to train student fliers.



INTERNATIONAL MENU

Food supplies for United Nations forces in New Guinea are trucked from docks at Port Moresby and distributed to food dumps scattered through the hills where British and American troops are battling the Jap-

anese. The collection proves that providing the supplies as well as the soldiers is a joint United Nations effort, for the dump includes Australian dried fruit, British army biscuits, and Swift's corned beef bought by both Britain and the United States from the Argentine.

than-carload shipments into full carloads in order to make the fullest possible use of railroad cars, trucks, and boats; and sees to it that movement of carloads to break-bulk points, and subsequent distribution to final consignees, occurs with all possible efficiency.

• **Advantages**—The advantage of consolidating shipments is that material can thus be sent straight through to its destination without stops which place an added burden on railroad junction points and increase the possibility of breakage and shortage. At the same time, the shipments take advantage of the added speed and lower unit cost of through freights and trucks. The consolidating agency, however, it is expected, will confine its work largely to railroads and lake and river shipping, in order not to duplicate the work of the truckers' Joint Information Offices.

The consolidating agency of the ATC also makes up "bracket" cars containing only one type of shipment. These are given preferential treatment by railroads.

• **Consolidated System**—The ATC makes use of a "consolidated system" set up by the Army by which the country is divided into vital zones and points of traffic. Shipments are consolidated by the ATC with a view to favoring fast travel.

The consolidating station also promotes the prompt unloading of cars, and provides special supervision of loading in order to prevent damage to materials. It checks into proper packaging and crating of goods to assure safety in transit, and advises concerning economical methods of loading.

• **Traffic Control Agency**—The second organization—the traffic control agency—acts chiefly as an advisory bureau for manufacturers, giving consultation on the best methods of sending shipments, and is considered a sort of "traffic manager" for Army matériel movement.

The third—the highway agency—reviews existing highway regulations of states, counties, and municipalities, with a view to securing modifications, if necessary, in accordance with the needs of the Army and trucking industry, and to expedite transportation.

The fourth—the regulation stations—have charge of rerouting shipments to prevent or relieve congestion at certain points.

• **Nonprofit Corporations**—The truckers' Joint Information Offices were formed as nonprofit corporations, supported financially by the trucking industry in each locality, under charter from the ODT, which retains the right to remove any member of a governing board, manager or employee of the of-

fices at any time its judgment warrants.

The slogan of these offices, "Every mile must be a loaded mile to victory," echoes a three-fold purpose—to make fullest use of trucking facilities by preventing empty return runs; to conserve vital equipment such as parts and tires; and to lower the unit hauling cost for truckers in the face of mounting overhead. Common, contract, and private carriers have all combined to form the offices, for they are all covered by strict ODT regulations requiring maximum use of space.

• **Procedure**—General Order 13 by ODT provided for creation of these offices by the trucking industry. Applications to ODT for permission to set up these offices in new localities are being considered daily.

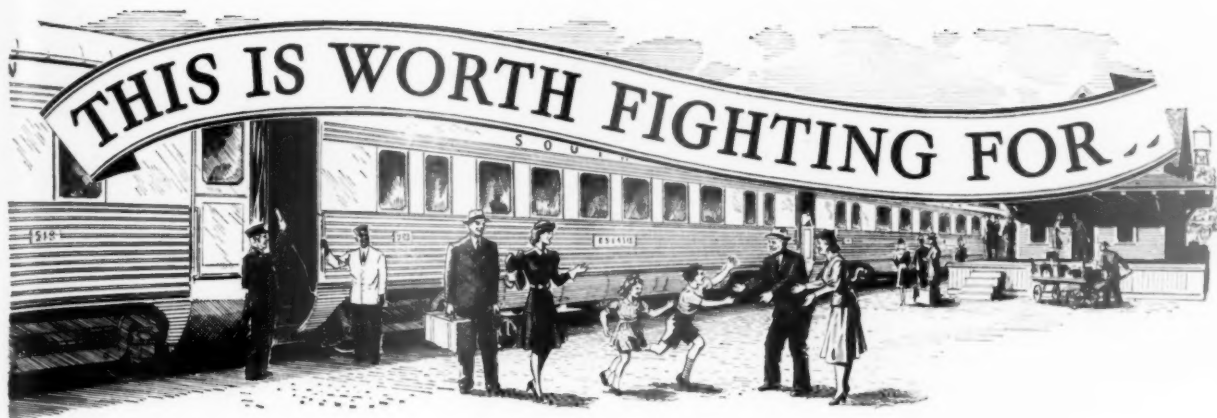
ODT's General Order 3, administered by the Joint Information Offices, provides that common carriers are required to register with the offices before taking an empty or partially-loaded truck from any city in which such an office has been established. The office must certify that the truck driver is moving in accordance with ODT regulations before he may leave the city. He may not leave until he has obtained a shipment of sufficient size, or waited out the required period. A small charge is made for the certificates.

• **Other Carriers**—A Joint Information Office may also administer Order No. 17, under which contract and private carriers are put under the same restraint and in addition are required to check with the information office in an effort to lease their empty trucks, or vacant space in partially-loaded trucks, to other carriers or shippers. This order became effective Sept. 1. If no office has been established in a city, carriers must make "appropriate inquiries of other carriers."

Trucks may be held several hours before being allowed to return empty or only partially-loaded. The time of holding varies with the distance and importance of the destination. Trucks bound for Detroit from Chicago may be held for as long as 24 hours.

• **What It Means**—Truckers find that shipments of war materials have become so heavy that there are now 10 loads to every truck available for hauling. Cost of operating a typical Joint Information Office is about \$1,200 a month, but to truckers the advantages make it worth the cost. There is even talk of continuing such offices after the war as a means of promoting economical use of facilities. Fully half the mileage now traveled by truck, it is estimated, consists of empty run.

The Chicago office, established Aug. 24 as the first of its kind, has in turn, opened subdepartments at Aurora, Chicago Heights, Elgin, Joliet, Waukegan, Ill., and Whiting, Ind., all with functions similar to those of the parent office.



The right to COME and GO when we please

THIS is a fight-to-the-finish we are in—a grim war for survival. The stakes are the highest in all the history of mankind. And one of them is the American's traditional right to come and go when he pleases.

Our enemies say that they will erase this birthright of ours; that they'll tell us when we can come and go. But they'll find that it's easier said than done.

No goose-stepping Nazi; no squint-eyed Jap is going to tell Americans that they can't run down to the seashore or vacation in the mountains or take the children to visit Aunt Mary back home. For we are going to win this war!

How? With the bravery and the brilliance of our men in uniform. With the toil and sweat of millions of loyal workers in forest, field, factory and mine. With our genius for invention, organization and production. With the willing sacrifices of every patriotic American.

Yes, we will win this war—even if we have to lay aside for awhile our right to come and go when we please.

That's why the officers and employees of the Southern Railway System have solemnly pledged their all to the winning of the war. That's why our entire transportation plant; all our resources of man-power and experience are enlisted for the duration in the service of the nation. That's why we put the transportation needs of Uncle Sam first—before any and every civilian need—that your right to come and go when you please may be preserved for you and for the generations of Americans yet to come.

In the first seven months of this year we have carried almost 600,000 men in uniform, all moving under orders. They traveled in 24,915 coaches and Pullmans; in 1,564 special trains and 5,563 extra cars attached to our regular passenger trains. And these figures do not include the additional hundreds of thousands who have traveled over our lines on furlough or in small groups on transfer orders.

That's why our trains are often late—troop trains and war freight have the right of way. That's why they are often crowded—so many boys want to visit home at the same time. That's why we have pressed old coaches into service—in our desperate effort to help everyone to come and go when they please. That's why we have had to lower temporarily the standards of service of which we have been so proud. And that's the way we know you want it to be.

Your willing sacrifices of some travel comforts and conveniences are more than a personal contribution to the war effort. They are an inspiration to those of us who railroad to plan for the day when victory comes; to plan for a better Southern Railway System better to "Serve the South". For, with victory, we know that a new day will come to our Southland; a new day of prosperity and happiness and peace; a new day with freedom to come and go when you please.

That is worth fighting for!

Emory E. Davis

President.

SOUTHERN RAILWAY
SYSTEM

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Evacuees to Farms

WRA hopes new rules will induce 10,000 Japanese to take jobs in the field on "work leaves" from evacuation centers.

Employment recruiting officials of the War Relocation Authority, the federal agency responsible for the Japanese evacuees in western relocation and assembly centers (BW—Jul.18'42,p19), fanned out from the San Francisco headquarters last week to encourage their charges to volunteer for work in harvesting sugar beets and other crops in the intermountain and plains states. They feel their chances of marshaling a satisfactory number of volunteers were enhanced considerably by the new regulations governing employment of the Japanese which were announced last week in Washington (BW—Sept.5'42, p8).

It was no particular secret that under the regulations prevailing up to last week, the Japanese were rather reluctant to sign up for "work leave" feeling that conditions of pay, housing, transportation, and protection were too vague.

● **Definite Offers Required**—Under the new plan each farm operator needing the Japanese as laborers will make a definite offer of employment by filling out and signing a form prepared by WRA. He will indicate the type of work offered, its probable duration, the wages he will pay, and the housing facilities available.

In each case, the farmer will submit the completed form to the nearest office of the United States Employment Service. If labor is not available from ordinary sources in the locality, the Employment Service will then forward the offer of employment to the WRA for consideration and submission to evacuees at the various assembly centers and permanent relocation communities. When accepted by the evacuees, the offer becomes a binding agreement subject to termination by either the farm operator or the evacuee on five days' notice.

● **Must Guarantee Protection**—Other conditions governing recruitment of evacuees for farm work remain the same as before. Prevailing wages will be paid. Further, in each case, the governor of the state and the local law enforcement officers must provide assurances that law and order will be maintained, that the evacuees, many of them American citizens, will be amply protected. Transportation and housing will be furnished by the employer.

Thomas W. Holland, chief of the employment division of WRA, who was in San Francisco last week initiating

the effort to sign up Japanese volunteers under the new regulations, figures that some 45,000 out of the 112,000 evacuees have had "a rural background." Of these about 10,000 men and women are experienced in farm work, and it is from this group that WRA hopes to raise a sizeable supply of workers immediately for the harvesting first of sugar beets and potatoes and then for other western crops as they come along.

● **Many Working Now**—The chance to earn good wages which can be spent or banked is counted on to be a powerful incentive. Then, too, the evacuees will probably find the extra freedom outside the camps appealing. Some 1,500 volunteers were already at work in the sugar beet fields of eastern Oregon, Idaho, Utah, and Montana under the volunteer "work leave" plan even before the revised regulations were announced last week. WRA officials believed the effectiveness of the new program in persuading the Japanese to sign up for work won't become apparent much before the middle of September, but they have high hopes, and they are shared by the farmers hard-pressed for labor.

The Japanese can't work in the military areas designated by the Western Defense Command, of course. This means they won't be sent to California, or Western Oregon and Western Washington, but they'll be available for farmers in Wyoming, Nevada, Montana, Colorado, Idaho, Eastern Oregon, and Eastern Washington. Last week WRA officials in San Francisco had on file applications from about 350 farmers in

those areas who want Japanese help.

● **A Family Job**—Most of the Japanese who volunteer for "work leave" in agriculture go in families. Usually the father, mother, and older children work. In such cases, government support stops when they leave the relocation or assembly centers and resumes only when they return. Nonworking children, however, continue to get food, shelter, education, and medical care paid by their Uncle Sam.

WRA officials say one reason for the reluctance of the Japanese to volunteer for "work leave" was the rather belligerent statements by some western state and local officials last spring to the effect that they weren't wanted. Lately, a more conciliatory attitude has been in evidence on the part of officials and the farmers themselves and this has been reflected in the newspapers. As the Japanese evacuees are avid newspaper readers, they are inclined to feel less hesitant about going into the fields to work.

● **Hand-Picking Prospects**—Wherever possible, WRA officials will encourage farmers to go to their nearest Japanese relocation or assembly center to do their own recruiting, to answer questions asked by prospective volunteers and generally to reassure them as to the conditions under which they'll be working. (The Japanese are especially interested, for instance, in the school facilities available for their children.)

The sugar beet processing companies, large employers of labor, are sending representatives to each relocation and



HURRICANE FOR BUGS

Introduction of a wind machine of the Hollywood variety for spraying insecticide in the orchards of the 15,000-acre Seabrook Farms near Bridgeton, N. J., has been a successful experi-

ment. The fan, driven by a 50 hp. gas engine, shoots a cloud of spray which can be regulated as high as 30 ft. high. One man—the tractor operator—runs the whole outfit. Tank trucks service the wind-sprayer which shoots 500 gallons in 13 minutes.



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assembly center to handle recruiting and arrange for transportation.

• **More Freedom for Citizens**—In addition to the restricted "work-leave" type of employment, the WRA extends what it calls "indefinite leave" to American citizens of Japanese ancestry who have never been in Japan. This allows them to take a job outside of military areas if they pass an examination given by WRA and provided they have a clear record with the Federal Bureau of Investigation.

In such cases, government support ceases, of course, and they must report any changes in address, employment, etc. to the WRA.

Water for Re-Use

Process perfected for the Army cleanses laundry waste and permits savings of as much as 10 gal. a man in camps.

Army camps have found out what little towns in the dry, arid West long ago discovered—that you may sink as many wells as you want to, but there is only so much water to be had. While the average citizen uses about 100 gallons a day, consumption in the Southwest often sinks to 25. When the supply goes below this, something must be done.

• **Some Obstacles**—Engineers have long toyed with the idea of re-using the water that pours through habitations. Laundry



DRIED VS. FRESH BEEF

Dramatic evidence of the saving in shipping space that can be effected by dehydration (BW—Aug. 15 '42, p8) is the pile of one pound tins of dehydrated beef that are equal in meat content to the two sides of beef.



Companies are ready to help —

COOPERATE WITH YOUR CAFETERIA STAFF

Maybe you have a plant nutritionist; maybe you don't. In either case, however, you'll find the Gas Company home economist can be a real help to your cafeteria manager and chef, in helping to plan balanced meals of higher nutritional value for workers, and in suggesting daily "Recommended Victory Plate Lunches." She can help you, too, in advising what foods are best suited to supplement the lunch box for snack-wagon service.



3

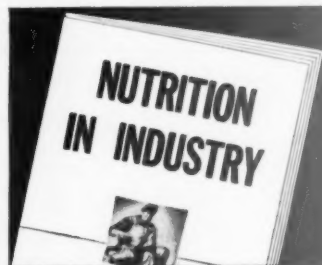
ENCOURAGE NEIGHBORHOOD RESTAURANTS TO SERVE NUTRITIOUS FOODS

What your workers eat in local lunchrooms or taverns is just as important as what they eat at your plant. Your Gas Company home economists will help the Nutrition Committee to enlist the support of local restaurant managers. Restaurants and lunchrooms will be asked to feature Victory Plate Lunches and tie-in "Eat to Beat the Devil" display materials.



AND—IN OVER 450 CITIES, GAS COMPANIES OFFER WORKERS' WIVES HELP IN SERVING THE RIGHT FOODS AT HOME

The need for proper eating habits doesn't stop with the meals a war worker gets *while on the job*. There are also the meals he eats at *home*. And here, again, Gas Companies are ready and equipped to help. To millions of workers' wives throughout America, Gas Companies offer advice and aid in the planning, preservation and cooking of foods that keep us fit. This Home Volunteer Service makes available the services of experienced home economists and the ample demonstration facilities which the Gas Industry has developed over the years for the use of its gas customers.



WAR PLANT EXECUTIVES: YOUR GAS COMPANY HAS COMPLETE DETAILS OF THE PLAN

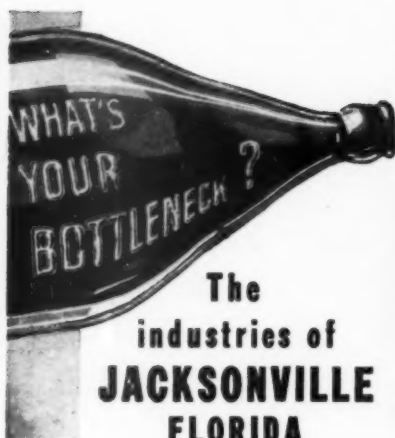
Any war plant can use the Nutrition In Industry Plan, because it can be cut and tailored to meet specific requirements and conditions. You can use all or any part of it as your particular needs dictate. And in every case, you'll find it a simple, practical way to improve the eating habits and health of your war workers.

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JUICY K-2

Tested for the first time last month in training maneuvers by a unit of desert-fighting troops was an experimental version of the Quartermaster Corps' emergency ration K (BW—Jul. 11 '42, p29). The new type is officially known as K-2. It differs from the previously

tested K-1 principally in that it includes a 5½-oz. can of fruit juice for each ration—orange juice for breakfast, tomato juice for dinner, grape-fruit juice for supper. The fruit juice supplies required liquid and vitamins, probably makes the rest of the ration taste better. A complete supper unit is hardly more than a handful.

waste, if kept separated from sewage, presents an attractive source of re-usable water. However, most biological systems—modeled after the highly successful activated sludge principle employed with sewage—don't work because the aerobic bacteria can find little to feed on in the presence of so much soap.

The Army Corps of Engineers has been studying the problem, working with the Pacific Flush Tank Co. and the Chicago Pump Co., using equipment developed by these companies. The Engineers will probably announce results of their study soon. Meanwhile, Chicago Pump has been carrying its own research along and believes it has the problem licked. It has also been applying the equipment it is developing to the treatment of waste water from Army Ordnance plants.

• **Not for Internal Use**—Laundry waste is segregated under this method and treated with common lime. (Iron and alum compounds work all right but are pretty expensive.) While the lime is being added, pinpoints of air are diffused through the water, keeping it fresh and promoting flocculation of lime-and-soap particles which sink to the bottom. After a detention period of 45 minutes, the water can be used again for washing laundry or equipment. It is

not intended for cooking or ablutions, but can be so readied by standard methods of water treatment.

In a camp of 50,000 men it has been found that there is an average consumption of 5,000,000 gallons daily. With this new method, it is believed that 10 gallons per man can be saved. If this 500,000 gal. does a double job, the camp can get along with 4,000,000 gal. daily.

Vintner's Gloom

Even record sales can't ease the worries of wine men who are feeling shortages and fear loss of tank cars.

As an industry, American wine growers traditionally look on the gloomy side. No matter how much consumption increases, they never show any heightening of the spirit.

This week, true to form, vintners saw little ahead but trouble as they prepared for the fourth annual National Wine Week, Oct. 11-18.

• **Recovering Lost Ground**—True, they admit, curve of wine sales probably will rise sharply as a result of the event. It

From Frozen Foods to Frozen Rivets

When your grocer hands you a box of frozen strawberries you may give a fleeting thought to the refrigeration which makes possible your enjoyment of this delicacy "out of season." But the chances are great that you never even heard

of many of the vital services which controlled cold is performing for our war production program.

Frozen rivets — just for instance — are not an out-of-season delicacy, but an urgent every-day necessity in the building of our airplanes. In the process of annealing, these rivets are deep-frozen — to 40 degrees below zero F, and less — then kept in sub-zero storage until driven into the body of the plane.

Paradoxical as it seems, this frozen storage is necessary to keep the alloy "soft," to avoid brittleness and prevent cracking which could have such disastrous results. Freezing rivets is just one of many essential ways in which refrigeration is being used in crucial production processes. In many cases accuracy in achieving the extremely close tolerances required in modern manufacturing is



possible only through the service of controlled cold — refrigeration and air conditioning.

Penn is proud to be of service to this vital industry. In addition to our direct work for the armed forces we are continuing to supply — under existing priority regulations — dependable and accurate automatic controls required for refrigeration and air conditioning systems. *Penn Electric Switch Co., Goshen, Indiana.*



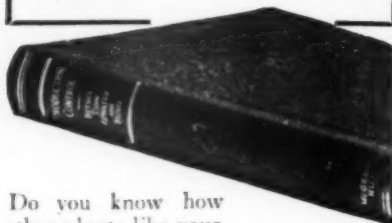
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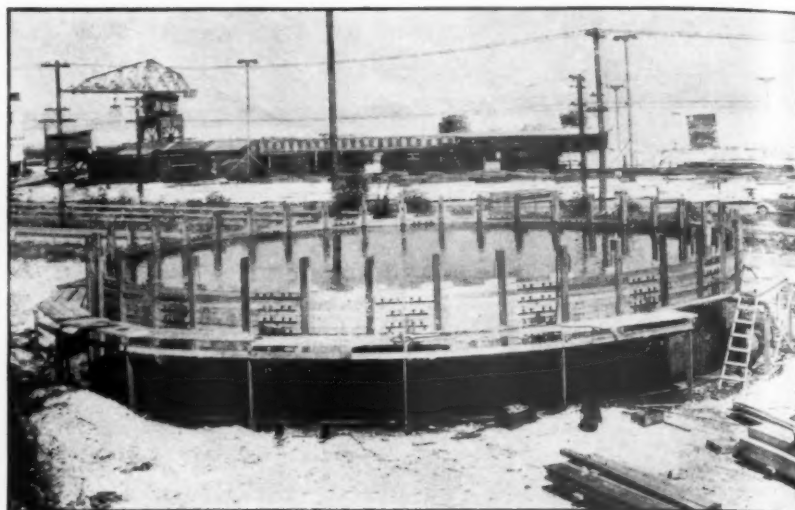
- the discussion of the 4 basic factors in forecasting production volume
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- the treatment of the cycle of production planning
- the examples of purchasing and stores records
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- the discussion of planning boards
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HORIZONTAL STAVE TANK

Engineers of the West Coast Lumbermen's Assn. say the problem of building large storage tanks for oil or water with a minimum use of metal is solved in a new design worked out by Harry R. Powell, Seattle structural engineer. Powell's ideas have resulted in a 200,000 gal. tank of Douglas fir with horizontal tongue-and-grooved wood

staves on edge, bent around wood stiffeners, and joined with wood splice plates and ring connectors. The wood staves take the tension from the water pressure while serving as the tank wall. It does the job with about one-third of the steel and a third of the critical lumber required by the standard vertical-stave-steel tank type. The Henry Mill & Timber Co., Tacoma, built the test tank.

always has. It's also true, they say, that competition from foreign wines isn't so keen, that since 1938 wine sales have increased about 15% a year to a total of about 100,000,000 gal. But what few save wine men realize, they insist, is that these sharp rises have only just begun to offset the damage done by prohibition.

Very few of the fine U. S. vineyards became complete casualties during prohibition and the depression, but most of the well-established vintners went under financially during the two periods, and the old as well as the new outfits have had to start from scratch.

• **Troubles With Materials**—The war, of course, has piled a new maze of complications on the romantic and highly-individualistic industry. Materials essential to the operation of the 1,000 wineries in the U. S. are becoming scarce and in some cases unobtainable.

New machinery for the wineries (filters, sterilizers, cooling machines, rubber hoses, etc.) are off the market by government decree and the supply of used equipment is almost exhausted. Steel for bottle closures is out, but chemists are at work on substitutes and may lick that problem. Cork supply only seems ample for a year or so.

• **Tank Car Worries**—California, which produces about 90% of the nation's wine, ships much of its product in tank cars, and the Office of Defense Transportation is eyeing these cars hungrily.

Most wine tank cars are specially lined and suitable for nothing but carrying wine. However, tank car people say that some of the cars which the industry uses can be transformed into oil carriers.

If a wine tank car shortage is to exist, the ordinary solution would be bottling the wines at the winery, but there is already a severe shortage of bottling equipment. The machinery now available probably can't handle more than 20% or 30% of the state's output.

• **Grapes for Raisins**—WPB's Order M-205a, the so-called raisin grape order, threatens to cut California dessert wine production as much as a third this vintage season, according to the Wine Institute. The order forbids the use of Thompson, Muscat, and Sultana grapes for anything but raisins, with certain minor exceptions. The raisins are needed for military rations and lend-lease.

To add to the industry's production worries, WPB recently contracted for approximately 20% of California fruit brandy stills which had been offered to aid the smokeless gunpowder and synthetic rubber programs.

• **Work on Byproducts**—Industry chemists are at work trying to make further use of some 20 important winery byproducts. Experiments are under way particularly to increase the production of tartrates, for which wineries are the only source of supply, and to promote maximum use of fermenting facilities.

A Paper Error

Paperboard industry is in a jam because of war planning which grievously overestimated this year's military needs.

The paperboard industry is in a ticklish spot. Months ago, in the early days of price ceilings and their first disorganizing effect upon material supplies, Washington got a bad case of jitters about paperboard. Official estimates made exactly a year ago for 1942 showed maximum capacity of 9,000,000 tons, war requirements and civilian requirements of 6,000,000 tons apiece—shortage 3,000,000 tons.

Since civilian use normally runs at 6,000,000 tons, it seemed plain that, after meeting military needs, there would not be enough paperboard left over to meet minimum civilian requirements. Hence the big wastepaper collection drive (BW—Sep. 13 '41, p. 24) combined with programs and propaganda to reduce civilian consumption.

• **Nation Responds**—As has happened in sugar rationing and in increasing cheese supplies for lend-lease shipment, Washington proved it did not know its own strength. So urgently did the posters, newspaper advertisements, and radio spot announcements present the need that America fairly leaped to conserve paper and to save waste paper by way of meeting the darkly painted emergency.

Through voluntary agreements within industries, with the Office of Production Management benevolently looking on, packaging standards were lowered substantially by reducing the thickness of package boards. For example, many a breakfast cereal and soap flakes package decreased in caliber. Consumer packaging was eliminated where possible, as in the nationally advertised elimination of packages by one manufacturer of bed sheets.

• **ICC Lends a Hand**—The Interstate Commerce Commission merrily joined the parade by amending Rule 41 of the consolidated freight classification (effective Mar. 1, 1942) to allow the use of lighter weight materials in shipping containers. Typical stepdown: A case formerly required in minimum thickness of sixteen thousandths of an inch became acceptable at fourteen thousandths of an inch.

Most important of all, Mrs. John Q. Public's own participation in gathering up all her old paper for donation through the neighborhood Boy Scout troop convinced her that it would be definitely patriotic to do without boxes, wrappings, and all similar gadgetry for the duration. Never slow to recognize a good thing when offered on a silver

tray garnished in red, white, and blue, retailers and others leaped in with both feet. Big city stores dug out those left over Christmas boxes from 1937, used them to deliver Mr. Public's new straw hat. Grocers and hardware dealers and furniture merchants became chary of their wrappings and packaging.

• **And So—Red Ink**—Net effect upon the paperboard industry is written in red ink. The big rush of fall business in 1941 reopened all of the marginal mills to capacity production. Output for 1941 was 7,800,000 tons, highest on record; 1939 output 5,900,000 tons; 1940 output 6,200,000 tons. Volume of sales continued at a fair rate though falling through the first quarter of 1942. By April the industry was in a tailspin and the high-cost producers began shutting off their steam.

Far from a nationwide shortage of paperboard and products, a plethora exists. There is more waste paper on hand than for years. June, 1942, total stock was 414,000 tons against 264,000 and 240,000 in 1941 and 1940. But the industry is now running at 75% of capacity. The current production rate is about 6,000,000 tons a year, but because of good business in the first quarter the statisticians are guessing that total 1942 tonnage will reach 7,000,000.

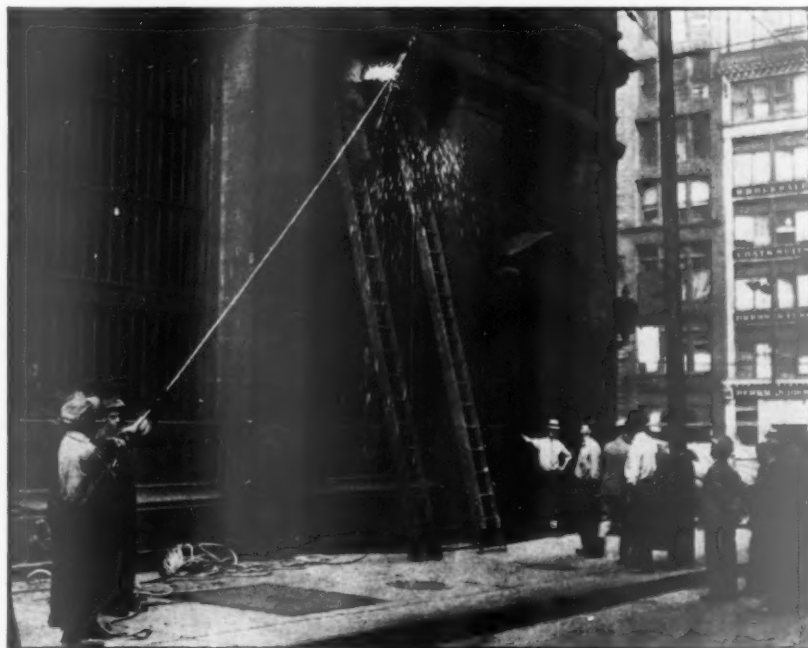
• **A Changed Picture**—WPB has been extremely cagey about releasing paperboard statistics of late, but its last official estimate of 1942 use by the gov-

ernment, including military needs, was 2,500,000 tons. This agrees closely with the industry's own estimates for 1942 made a full year ago.

When word began trickling into print a few weeks ago that the industry had available more waste paper than it could possibly use before it spoiled, the popularized explanation offered for unconcealable burnings of the precious bales was that civilian salvage and economies had exceeded expectations (BW—Aug. 5 '42, p. 44). The bare truth is that military needs had been so grievously overestimated that the surplus of raw material can be traced straight back to the statistical discrepancy.

• **Civilian Use Is Down**—Also figuring in the comedy of errors is the fact that civilian use for 1942 will probably be only 4,500,000 to 5,000,000 tons, which is down to the level of 1935. Apparently, in all of last year's prognosticating, the prophets forgot that output of civilian goods in need of packaging would shrink likewise, that when a plant converts from civilian products to war production its package requirements typically shrink. Many a big manufacturer who used to buy 500 carloads a year of paperboard and containers is today using only 50 to wrap his output of military goods produced in 24-hour, seven-day plant operation.

Nobody knows exactly how effective the waste paper campaign was. Its purpose was, of course, to get raw material collected without raising the price. Un-



4,999,985 TONS TO GO

The recently organized War Materials, Inc., whose purpose is to ferret out 5,000,000 tons of scrap metals for hungry war furnaces, got off to a running

start when it found 15 tons of iron bars and gates, waiting for the cutting torch, on its own doorstep—the abandoned Federal Reserve Bank Bldg. in downtown Pittsburgh, which WMI is taking over for its headquarters.

The People, the Dealers, the Factory

CO-OPERATING

SHIPS and men and cargoes can be lost at sea—and battles lost at destination—if the trip to the drydock is postponed too often.

Wrecks, with death and destruction and ruin of a day's hundred schedules, can result from neglect in taking railway equipment to the roundhouse shop. And a waiting ship may fail to clear its port.

But in those fields the efficiency methods of business insist on the needed trips, to the drydocks and to the railroad repair shops—for safety and to safeguard against deterioration.

Automotive transportation equipment has somehow seemed to need protection less. Automotive transportation performs a giant task, but without the roll and roar of the sea, the dash and rhythm of the railroads. Automotive transportation performs a giant task but breaks down that task into smaller units; still it is a task that utilizes 32 million cars and trucks.

These days, the requirements of moving goods and people by automotive equipment is continually growing. That transportation must not lapse. It involves intimately the transportation by rail and ship. It involves decisively the people who are carrying on this war, in all its phases.

The people, individually, own these cars and trucks and the people, individually, have a responsibility for maintaining these cars and trucks in operation—and to safeguard them against wear-out.

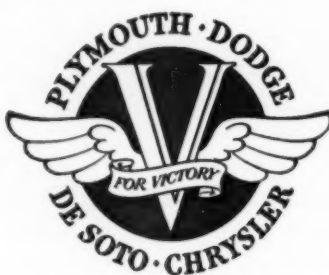
Plymouth, Dodge, De Soto and Chrysler dealers have the service facilities for automotive conservation. They have the experienced personnel and specialized equipment. They have the support of continuous contact—mail and personal—with the factory in regard to methods and parts availability.

For factory engineered and inspected essential parts and accessories, call your nearby Plymouth, Dodge, De Soto or Chrysler dealer. For Dodge Truck parts, call your nearby Dodge dealer.

The Major Bowes broadcasts, representing Plymouth, Dodge, De Soto and Chrysler dealers, offer helpful messages on automotive equipment conservation.

"Keep 'em Rolling!" is an essential war-time objective. Through co-operation, the factories, the dealers and the public can do it!

THE FACTORIES SERVE
with War Materials
Production



THE DEALERS SERVE
with Transportation
Maintenance

Divisions of CHRYSLER CORPORATION

THROW YOUR SCRAP METAL INTO THE FIGHT

doubtedly this worked, but because supply soon got ahead of demand the price of wastepaper began to fall and all chance was lost of measuring the effect of the campaign.

• **Fellow Sufferer**—If the industry is crying into its beer because it is the innocent victim of misgaged economic planning, it has a fellow sufferer in the railroads. While shippers were being encouraged to reduce the protective strength of their containers to save paperboard, they were simultaneously being implored to increase the tonnage of each car shipped. As trains lengthened and operating schedules were speeded up, faster loading and unloading and untrained handlers joined with these influences in contributing to increasingly rough treatment of freight.

Combining all of these factors accounts for a sharp upsurge of freight damage claims. Railroad freight revenues for the first half of 1942 were up 33.3%, but loss and damage claim payments by principal railroads were up 51.6%. The ratio of loss and damage payments to freight revenue of American rails was 0.53 in 1941, was 0.59 for the first half of 1942.

• **What Now?**—Finding an acceptable approach for urging more and better packaging is a ticklish problem for the paperboard boys because of the patriotic overtones in conservation of everything nowadays. Lots of commercial users, squeezed between high costs and low ceilings on the goods they sell, are none too eager to have the public learn the paperboard facts of life lest their dandy new expense-saving device blow up just when its economies are most appreciated.

WPB, though its conservation section shows every indication of a red face as waste paper backs up in private homes as well as trade channels, is none too eager to urge greater public consumption. There is always the possibility that military needs might actually soar; likewise such a move is contrary to all official doctrine pertaining to any other commodity except soap.

Best approach, the industry suspects, will be to harp on the idea that there is no economy in saving on plentiful paperboard and thereby permitting the needless breaking of scarce merchandise.

• **Converters' Problems**—Afflicted with falling volume of sales and production, converters of paperboard have problems differing from those prevailing in most industries today.

Curtailment of various civilian commodities has forced the redesign of hundreds of packages and the creation of other brand new ones. Examples: pipe tobacco cans replaced with board; lend-lease dehydrated eggs packaged in board. Best index of the situation is the estimate of one major boxmaker that next year 50% of his output will



cartons
are not
curtailed

• Paperboard is going to war in a big way—yes. But there are no limitations on paperboard cartons.

That's why we say to manufacturers feeling the pinch of package material curtailment, "Get into a carton and out of trouble!"

Our business has been built by converting products to paperboard from

other packaging materials . . . because it proved better, cheaper, more convenient or more marketable.

We'd like to help you change to cartons—not to a "makeshift" for the duration, but to the best package you've ever had.

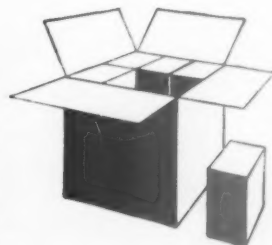
We have the packaging specialists, the mechanical set-up to see that you

get it. Because the whole packaging operation is in our hands, we can select "the right board for the right carton for the product." Our broad experience in new development work, our conveniently located plants can minimize the problems of package conversion for you. Write or call our nearest office for a consultation.

CONTAINER CORPORATION OF AMERICA

General Offices: 111 W. Washington St., Chicago, Ill. . . . New York • Rochester • Natick, Mass. • Philadelphia
Akron • Cincinnati • Cleveland • Circleville • Detroit • Indianapolis • Wabash • Carthage • Anderson, Ind.
Peoria • Rock Island • Minneapolis • Wilmington, Del. • Baltimore • St. Louis • Ferdinand • Fort Worth

EVERYTHING PAPERBOARD FOR EVERYTHING PACKED
FOLDING CARTONS • BOXBOARDS • CORRUGATED AND SOLID-FIBRE SHIPPING CASES





This Little Pig went to

WAR

How Commercial Credit Financing is Helping War-Time Industry

FINANCING WAR CONTRACTS . . . or financing the production of any kind of commodity under war conditions . . . presents serious difficulties. Generally, it calls for considerably more working capital than many concerns are accustomed to employ.

We recently solved difficult situations for two packing houses with large Government contracts for meat-products for our fighting forces. When the financing connections of these companies proved inadequate or too restrictive, we put more than \$6,700,000 additional cash at their disposal to maintain inventories, support production and meet Federal tax payments.

MILLIONS FOR WAR-PRODUCTION FINANCING

We are prepared to work out financing plans to meet the special requirements of war-time financing in any line of industry.

Our capital and surplus of more than \$65,000,000 is available to do the job. In the past year, we supplied to our customers more than a billion dollars of cash to meet their working capital requirements. Among these are concerns engaged in such varied lines as aircraft and accessories, food products, radio, lumber, leather, paper, textiles, alcohol, machinery, metal goods, wood, plastics, electrical equipment and others.

Our service is prompt, our charges reasonable and *no interference or restriction* is placed on management. If you need cash to purchase materials, meet payrolls, buy equipment or pay taxes, wire or write for information. Address Dept. 1204.

Commercial Credit Company **Baltimore**

Subsidiaries: New York Chicago San Francisco Los Angeles Portland, Ore.

CAPITAL AND SURPLUS MORE THAN \$65,000,000

be military, 25% will be substitute packing, only 25% a continuation of his ordinary business. Shorthanded package engineering and designing departments are forced to carry double and triple loads. Yet the 75% of business involving new products—both civilian substitutes and military requirements—will go a long way to keep manufacturers out of the red.

Alkaline Elixir

Chemical engineer blends a whisky without acid, offers a promise to imbibers, presents a puzzle to the government.

In the simple and untrammelled past, Green River was brazenly advertised as "the whisky without a headache." Government authorities decided the claim took in too much territory so the brand (it belongs to Schenley) is now sold as "the whisky without regrets." Meantime a scientific attempt has been made to develop a whisky that softens the consequences.

• **Watching the Hydrogen**—The product is Stuart's pH Controlled Whisky, a blend from which the trouble-making acids are removed. It is being made by the Stuart Alkaline Liquors Co., Baltimore. The brand name derives from the pH ("potential hydrogen") value scale which, to chemists and other technicians, indicates the degree of acidity or alkalinity of a liquid.

Company literature explains that any solution having a pH value above 7.0 is on the alkaline side, any having a value below that on the acid side. The pH value of average whiskies runs from 3.9 to 4.5; in other words they contain almost as much acid as vinegar.

• **No Miracles Claimed**—Stuart's puts the pH value of its blend at 7.2, which is in the alkaline range or near the neutral point. No miraculous claims are made for the product. F. E. Stuart, the originator, states cautiously that his whisky "seems to agree with many people a lot better than the acid type of whiskies."

Mr. Stuart is a chemical engineer who has specialized in purifying public water systems. His experiments started from recognition of the fact that most hang-over cures are alkaline. Finally he discovered an alkalizing agent which neutralized the objectionable acids and precipitated them in a sludge that was then filtered out of the whisky.

• **But Is It Whisky?**—It took months to obtain government permission to label the Stuart blend as "whisky." It seems that the official guide, the U. S. Pharmacopoeia, states that whisky must have a certain "acidic content." The new blend had no acidic content, hence it was argued that it couldn't qualify.

Rubberless Girdle?

Doubts as to its feasibility harry those manufacturers and retailers who are trying to save the nation's foundations.

Tap the bottom layer of the average woman's bureau drawer and you are likely to find a couple of girdles, corsets, or all-in-one foundation garments laid away in tissue paper. The fact that they had already invested heavily in silk stockings, electric refrigerators, and a host of other scarcity items didn't keep most women from rushing out right after Pearl Harbor and doubling or tripling their normal girdle purchases.

• **Limitation Order L-90**—Despite soothing statements from Washington and the foundation garment industry that, rubber or no rubber, a way would be found to keep wobbly bottoms and protruding tummies under control, the woman who hedged probably will be glad of it. Under Limitation Order L-90, girdle and brassiere manufacturers were sharply limited as to how much rubber or latex fabric they could use in each garment.

Subject to assorted restrictions which specify the amount of elastic thread that may go into various types of garments, they may use up what stocks they have on hand. The only exceptions are surgical, maternity, and other health garments (most of which use little rubber anyhow).

• **Less Rubber Per Garment**—At manufacturers' July and August showings in New York and Chicago, buyers for retail stores looked over the models made under L-90 restrictions and pronounced them good. Use of less rubber per garment has necessitated more careful designing, and it is expected to do away with the old problem of sloppy fitting. Careless salesgirls used to cram gals with 37 in. hips into 34 in. garments, and the rubber obligingly stretched to accommodate the difference.

It's one thing, however, to design a satisfactory foundation garment using only a little rubber, quite another to design one using no rubber at all. Most manufacturers have enough elastic thread to enable them to continue production of part-rubber garments for three to six months more. After that, nobody knows what will happen.

• **Serious Doubts**—Several makers claim they have licked the problem of designing a rubberless girdle without returning to the kind of block and tackle grandmother used to wear, but close observers of the industry say frankly that they have yet to see anything really satisfactory.

What's worrying manufacturers and retailers, of course, is the junior market.

Gosh! Names can be misleading!



Take Darco, for instance. Darco is a black powder—black as coal dust. By no means an explosive, Darco is an activated carbon, whose primary usefulness is purification. And Darco does a tremendous job in the production of many essential products in a war economy.

In sugar refining, for example, Darco is in constant use. Made from available raw material, Darco helps produce maximum yields of edible sugar—so important as "body ammunition" for soldiers and civilians alike. By removing impurities that impede crystallization, Darco enables refiners to extract every last ounce of sugar crystals from cane, beet and corn.

In other fields, too, Darco helps "stretch" the usefulness of electroplaters' solutions, dry cleaning solvents, high purity acids, process chemicals and ingredients of synthetic plastics—to name only a few.

Darco is but one of the products of the Atlas Family. Other products include—industrial chemicals, coated fabrics, finishes, commercial explosives. As a wartime assignment, Atlas is operating huge munitions plants for the Government.

The job is tough. But out of wartime efforts are coming new skills and new techniques, pointing to significant post-war industrial progress.

ATLAS POWDER COMPANY, WILMINGTON, DELAWARE

Offices in Principal Cities



Explosives • Chemicals
Coated Fabrics • Finishes
Activated Carbons

The **ATLAS** Family
DARCO — ATLAS — ZAPON — KERATOL



Serving the Men Who Serve America

WAYNE has only one policy and one aim today . . . win the war. Wayne's research laboratories are developing new and better equipment for the armed forces . . . Wayne Gasoline Dispensing Systems for mechanized units and aircraft, the Wayne Water Detector Lock which prevents delivery of water into aircraft fuel tanks, Wayne Air Compressors for Convoy Lubers, and an entirely new development . . . The Wayne Tube Beader . . . a device which speeds up the beading or flaring of tubing in the manufacture of airplanes. But Wayne is not forgetting the owners of Wayne Equipment either. Our Service Organization is ready at your call. Send for booklet to help in maintaining your equipment.

THE WAYNE PUMP CO., Fort Wayne, Ind.



which they so carefully nursed along during the 1930's. The woman who is a buxom fortyish probably will accept any sort of figure control in preference to none at all, but if the slim girl in her 'teens can't have a lightweight, flexible girdle, she's likely to go without.

• **A Modern Development**—The modern girdle is a product of the last decade. During the free-and-easy 1920's young women revolted against whalebone and laces and discarded foundation garments entirely. Then in 1931 two manufacturers presented, almost simultaneously, garments made with elastic thread. Warner Bros. used a woven, Kops Bros. a knitted fabric.

Big thing about these, of course, was that they provided maximum flexibility through two-way stretch. Some fabrics can be knitted or woven to stretch one way—these are now being extensively used to supplement rubber—but only rubber will stretch two ways.

• **A Change of Direction**—The object of the old-fashioned corset was to squeeze the female waist down to an approximation of the 18-in. ideal. When hour-glass waists went out of vogue, the emphasis shifted to slim hips. To control a woman's hips and adjoining territory without making it impossible for her to stoop, sit, and lead a fairly active life, a garment must have flexibility.

Hence the importance of rubber. • **Making Them Last**—The industry's biggest problem at present, next to licking the rubber shortage, is teaching women to make the rubber garments they now have last as long as possible. The sad truth as to why most girdles and corsets wear out long before their time is simply that they aren't washed often enough.

The worst offenders in this respect, incidentally, are not giddy gals but older women. Their deficiency is a hangover from the days when a corset was regarded less as clothing than as a piece of harness—something no more washable than a horse collar. This was O.K. since grandmother wore a washable chemise under her corset and a corset cover over it. But when corsets are made of rubber and worn next to the skin, acids, perspiration, and body oils soon take their toll.

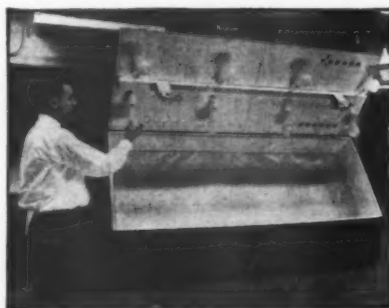
• **Case of theirate Customer**—Any experienced corset saleswoman has her own chamber of horrors. An indignant customer recently returned a \$40 all-in-one to one of the big New York specialty shops. It had been purchased some two-and-a-half months earlier and was almost in pieces. Suspecting that it had been worn steadily without washing or rotation, the store sent the garment to a testing laboratory. The laboratory extracted a small test tube full of body oil from the garment, and test tube and all-in-one were returned to the customer.

The Corset & Brassiere Assn. of



TRY THIS FOR SIZE

In developing what is claimed to be the most powerful industrial lighting fixture extant, engineers of General Electric's lamp department at Nela Park, Cleveland, combined a 3,000-watt G.E. mercury tubular lamp with eight 200-watt inside frosted filament lamps and placed them all in an 8-ft. nonmetallic (fiber board) reflector. The "Jumbo Luminaire" fixture consumes 4,600 watts but produces 150,000 lumens of light of such a quality that glare is practically eliminated from shiny surfaces of polished metal. Tracing paper which covers the bottom helps the light diffusion and also keeps dust and dirt from affecting the light output.



America (representing 61 manufacturers and some 70% of the industry's sales volume) is plugging hard at conservation through its promotion group, the Foundation Garment Institute. The institute used to get out publicity on the importance of wearing foundation garments from the health and beauty standpoints. Now it's shifted almost entirely to press releases on ways and means of making girdles last.

• **Other Scarcities**—Rubber is not the only raw material shortage plaguing the industry. If corsets are to be made with less rubber or none at all, control must be supplied through judicious boning. And corset "bones" are made of scarce, high-priority clock-spring steel (whalebone hasn't been used extensively since before the last war). There's also a critical scarcity of all types of closures,



CONSERVE YOUR CABLES

Wire rope is precious now! Take proper care of what you have!



Hauling Human Freight at High Speeds!

Dropping 1,200 feet a minute with a ton of live freight aboard, the modern passenger elevator stops on signal in a second and a half, puts a tremendous sudden strain on its supporting cable . . . Making hundreds of trips a day, every day, at high speed, with variable loads, frequent starts and stops, passenger elevator service calls for the ultimate in wire rope.

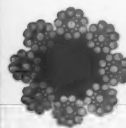
In the shafts of many of New York's tallest buildings, you'll find Rochester Ropes—which exceed the safety standards by a wide margin, insure dependable service, cut operating costs . . .

With selected steel in every tested wire, meticulously fabricated to exact specifications, inspected constantly during manufacture . . . Rochester Wire Ropes chosen for specific functions, do more work, wear longer, cost less . . . Available today only for government services and high priority industrial production—but for the best in wire ropes in the future—remember Rochester!

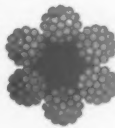
ROCHESTER *Ropes*

JAMAICA, NEW YORK • CULPEPER, VIRGINIA

CHECK GROOVES!



Make sure sheaves and drum grooves are not scored or pitted. Grooves too large tend to flatten rope, cause abrasions, increase slippage. Grooves too small pinch and crush the individual outside wires.



Cable conservation will be treated technically in another advertisement, soon.

particularly slide fasteners, and good old-fashioned laces may be the only way out.

On its side in the struggle to keep women corseted, the industry has Order L-85 which prescribes maximum yardages for women's dresses. L-85 has forced the fashion designers to adopt an ultra-narrow silhouette which shows up bulky figures at their worst, drives women to the corset counters in large droves.

• **Wartime Trends**—Vice versa, there are troublesome reports that women wearing slacks in war plants and other factories are discarding their girdles. However, sales of pantie-girdles (designed particularly for wear under slacks and shorts) have climbed steeply in recent months, indicating that at least some of the war workers are girdled.

One firm which specializes in lightweight junior wear reports that pantie girdles account for some 50% of its orders today, as against around 10% 18 months ago.

Though Washington has not solved the rubber problem, it has provided the industry with moral support in the form of various admissions that foundation garments are an essential part of a woman's wardrobe.

Notably, Waacs are being supplied with two girdles apiece as part of their regular Army issue. Waves will be given money to buy their own.

• **Medical Testimony**—Doctors and health authorities also have rallied to the industry's cause. The August issue of *Hygeia*, published by the American Medical Assn., carries a lengthy article on the importance of the proper foundation garment to a woman's health.

If the rubber riddle proves too much for corset makers, they will be struck down at the height of their prosperity. In 1939—last year for which complete figures are available—all manufacturers' sales of brassieres, corsets, and girdles totaled some \$84,500,000. In 1941, sales were estimated as at least 10% higher, making it, almost certainly, the record year for the industry.

• **Retailers' Fears**—Retailers' current heavy stocks bear witness to their fears of a foundation garment shortage. Although they've never received particularly heavy promotion, corsets yield the average department store a larger profit, in proportion to gross sales, than any other department.

• **In the Fitting Room**—Retailers realize that there's no easier time to sell a woman a corset or girdle than when she gets in the fitting room and finds that the dress she has set her heart on wrinkles in strange places. Trouble is that salesgirls, afraid they may have to split commissions, are loath to call in the corset department. A good many stores are now cracking down, however, insisting that more corset sales come out of dress departments.

Realty's Realities

Forward lookers are sure that permanent redistribution of population and shift in values will be legacy of war effort.

Key to postwar real estate activity in the U. S. lies in what remigration of population will occur, and what will be done with big plants built for war production. Thoughtful real estate men are now trying to call these shots.

• **Sizing Up the Problem**—Last week in Chicago, the postwar planning committee of the Society of Industrial Realtors met under the chairmanship of Charles Mitchell, Philadelphia specialist in industrial property. This group, affiliated with the National Assn. of Real Estate Boards, is bringing together all available facts through Herbert U. Nelson, executive secretary of N.A.R.E.B., who will report on these subjects at an Oct. 7 meeting.

Messrs. Mitchell and Nelson point out that most government and amateur prophets assume people will go back home after the war. They won't, assert the real estate experts, because they never have behaved so in comparable circumstances. How tenaciously people hold to any home region is seen in the fact that it took years of economic catas-

trophe to shake the drought-afflicted Okies and their neighbors out of the Dust Bowl.

• **Ties That Endure**—To the appraising eyes of the real estate men, once you get folks settled anywhere, they are soon tied there by their families, churches, lodges, and other social bonds. To assume that people who in 1940 or 1942 move to Elwood, Ill., Wichita, Kan., or Provo, Utah, for war jobs will in 1944 or 1946 cheerfully scramble back to their old home towns if they lose their jobs is simply to ignore all previous experience.

To move them back home, say Nelson and Mitchell, would require not only the outlay of billions of Treasury dollars but also whiplash compulsion.

• **The History of Cities**—Further evidence against any probability of remigration lies in the age-long history of cities. Most major gains of population by cities have come from assorted crises. But—the people who move in tend to remain after the crisis, and the cities find ways to support their increased size. Examples: San Francisco and the Forty-Niners; Seattle and the Klondike rush; Miami and the Florida real estate boom.

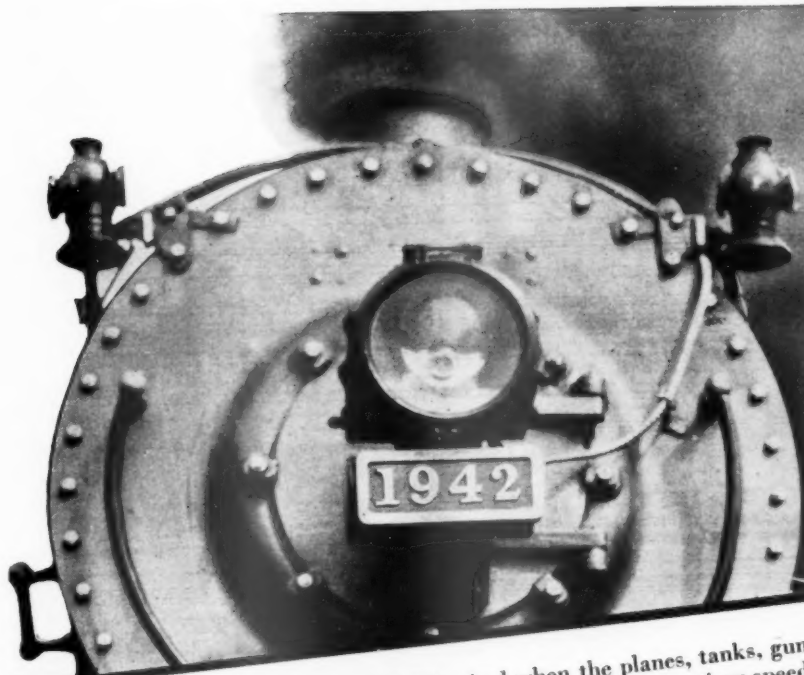
Best instance of all is Los Angeles. Prior to 1929, so large a portion of its total income was from pension remittances and tourist spending that the cynics expected it to collapse at the onset of a major depression. Instead, Los Angeles improvised its own indus-



CAIRO ALERT

Modern sirens, part of a million dollar air raid precaution system installed by the British in ancient Cairo, are ready to warn the city's one million inhabitants if Axis planes are approaching

from enemy bases now less than 200 miles away. Because Alexandria, Britain's Gibraltar of the eastern Mediterranean and main objective of the present Nazi drive, is only 120 miles from the Egyptian capital, Cairo is constantly on the alert for a surprise raid.



ENGINE OF WAR

IT'S strange to think of the familiar, friendly locomotive as a weapon of war.

But right now that's what it is.

For locomotives really make possible all the other weapons of war we must have.

They haul the ore and fuel that steel mills require.

They take the steel to shipyards on all three coasts and on the lakes.

They bring the engines, wing assemblies and other parts to the fabulous plants where the fighting planes are made.

They bring the quantities of chemicals, coal and oil, everything that three-shift war plants demand.

And when the planes, tanks, guns and food are ready, locomotives speed them on their way to the boys at the front.

Today the locomotives of the American railroads are doing a job which, a year or so ago, would have been called impossible. And it is a job so big that only the railroads could undertake it.

It's a job that means sending off a loaded freight train every five seconds of the day and night—that means hauling a million and a quarter tons of freight a mile every minute—and, by the way, doing it for less than one cent a ton per mile.

To do it, the railroads are exacting the greatest service from every available piece of equipment. For other war requirements may prevent them from getting the additional cars and engines the job justifies.

But, with the equipment on hand and what can be obtained, these engines of war will prove themselves mighty weapons in the drive to Victory.

ASSOCIATION OF
AMERICAN



RAILROADS
WASHINGTON, D. C.

Sure, I'll take over more work— if I can unload these details!



"I'M ALWAYS WILLING to do extra work, Mr. Carter . . . especially when it's to hold open a job for a fellow going into Service. But I can't even find time for my own job. Look at this pile of papers—all details! If I only had a way to dispose of them quickly, I could easily handle extra work."



"HERE'S A SUGGESTION that will help me take on more work. This Hammermill book shows modern printed forms that handle details . . . assign work, keep it moving, follow it through. A system like that would free all of us from a lot of routine and clear time for important work."



ANOTHER SMART SUGGESTION: print the new forms on Hammermill paper. Every lot is carefully inspected by 60 keen-eyed girls, sheet by sheet. 15 supervisors double-check. That's why your printer recommends Hammermill with confidence. It's paper you can depend on.

TO SPEED UP YOUR OFFICE WORK: Hammermill offers two free booklets . . . How to avoid "junk heap" desks . . . How to get information, pass along orders and instructions, check results and responsibility. Send for these free helps now!

HOW TO DESIGN A BUSINESS

21 WAYS TO KEEP A CLEAR DESK

HAMMERMILL
Papers for Office Use
BOND • DUPLICATOR • Mimeo-BOND

Hammermill Paper Company, Erie, Pa., Dept. BW 9-19
Send "21 Ways to Keep a Clear Desk" and "How to Design a Business Form." If you use a duplicator, check kind: ☐ stencil; ☐ gelatin; ☐ spirit.

Name _____ Position _____
..... (Please attach to your company letterhead)

tries during the slump, is now as self-sufficient economically as Boston or New Orleans.

• **Population's Trend**—The basic fact at the foundation of all these phenomena, says the S.I.R. researchers, is that the country's sole surplus of population has been for decades and still is, despite seasonal labor shortages, on the farms, whence it presses toward the cities.

Equal weaknesses are found by Mitchell and Nelson in the popular credo on postwar disposal of munitions plants. The manufacturer who is currently operating a government-owned, shiny-new plant full of the best production equipment devised to date—whether it is across the street from his factory in Cleveland or a thousand miles distant—will not meekly withdraw to his own obsolescent plant after his war contracts expire, leaving the government to tear down or board up the new unit. This would be economic insanity, and probably political suicide for the Administration.

• **Advantageous Locations**—Most war plants are set where they are because these are good locations. Often these locations are better adapted to present-day conditions of manufacturing than were the older plants which just happened to be there because of some circumstance that prevailed in the 1880's. If you shut up the new plant, you sacrifice efficiency and also have to move the people unless it is in a big city.

In the judgment of the S.I.R. investigators, this adds up to pretty potent evidence that the big war plants will not be ghost plants, that these will continue operating on military or civilian products.

• **Military Policy**—Similarly important factor in postwar real estate is the probable military policy of the U.S. By present thinking, there will be for many years after the war a regular Army of at least a million men, and a two-ocean regular Navy. Likewise, compulsory universal military training seems probable, keeping at least 1,500,000 youngsters in one-year service.

The aggregate would be at least 3,000,000 men in uniform at all times. Though peacetime garrisons do not expend supplies at the rate of a belligerent force, these armed forces would require the continuous production of an estimated minimum 6,000,000 industrial workers. On this assumption, a substantial share of the new war plants would keep right on making war products. Hence, these would suffer no serious dislocation with the advent of peace.

• **Decentralization**—Of huge significance to the national economy would be the abandonment of old industrial plants in favor of the newer ones, as forecast by the real estate planners. This would greatly accelerate the decentralization of U.S. cities, since most of the war plants even in areas of large population

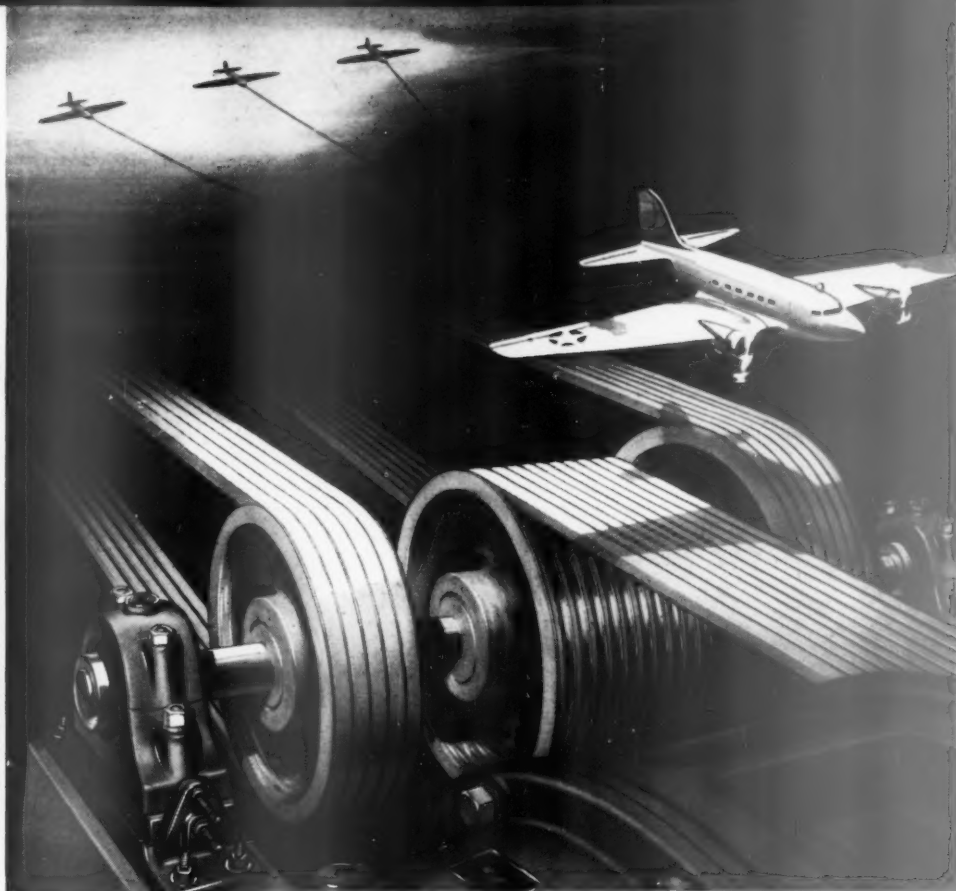
are built on city peripheries, not downtown.

Digging into this subject and its inevitable corollary of city planning, the N.A.R.E.B.-related Urban Land Institute is this week holding at Cranbrook, near Detroit, a three-day session with Eiel Saarinen, Finnish-born architect



POWER RECOVERY

When Ford builds Pratt & Whitney aircraft motors, 53% of the electrical power required comes from the motors themselves. As each engine is transferred from assembly line to test cell, a hydraulic constant-speed coupling, linked to a generator, is attached to it. As the motor throbs through several hours of gruelling test, the otherwise wasted power generated by it is recaptured and shot in a steady stream to the generator. After a crane operator sets a motor down in front of the motor test cell (above), it is moved inside, started, and observed from a control room (below).



Victory Formation

FOR POWER APPLICATION

DODGE power transmission equipment has solved many a critical power problem created by industry's overnight conversion to war production.

The Dodge line includes a wide choice of drives — alternate selections, flexible in their application, efficient in operation — that provide immediate opportunities for modern arrangements of power transmission appliances in formations that save power — speed production.

Dodge D-V drives are vital units in most power transmission formations on both individual and group drive operations. They put all the power in the job with "matched quality" performance.

V-belts secure maximum tractive pull on uniform sheave grooves machined to give perfect belt contact — each belt delivers its full power load — wear is minimized, maintenance reduced — giving solid 168-hour work weeks — with less time lost for repair and replacement.

For modern applications of power transmission equipment, depend on Dodge D-V drives, bearings, clutches, pulleys. Dodge Distributors, specializing in "The Right Drive for Every Job", offer their local stocks and services to industry — assisting in modernization — checking performance — extending equipment life.

DODGE MANUFACTURING CORPORATION
Mishawaka, Indiana, U. S. A.



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and city planner. Present will be leading lights of the U.L.I., plus representatives of government agencies now studying postwar urban redevelopment.

• **Zoning Opposed**—Saarinen is notably convinced that the cities must be organically decentralized, so that they may spread out in orderly fashion without blighting intermediate areas. He considers zoning the antithesis of planning, because it constitutes an attempt to freeze the pattern of a city against the fluidity into which normal economic influences thaw it.

The recent clubbiness of U.L.I. leadership with Saarinen points to an acceptance of the spread of cities as inevitable. From this, unavoidably springs the belief that high central values will decline while offsetting new values arise farther out, and that this trend will accelerate just as soon as tires and automobiles are again available.

• **Not Doing Badly**—Currently, real estate men have little to complain of. They are doing not badly. Industrial real estate specialists are busy as beavers, selling properties to the government and finding additional facilities for manufacturers. Index of their busy-ness: In World War I, the government acquired 350,000 acres of property. In this war, the government program calls for acquiring over 32,000,000 acres. For the same reasons, appraisers are swamped with business.

Farm sales remain good. Commercial property, which has been slow for some years, has as yet shown no war-inspired falling off of activity. Residential property is selling well everywhere, though there are doubts whether it will continue moving briskly when war taxes really begin to bite.

• **Rental Properties**—Odd effect of war economic controls is its bringing to rental managers more residential rental properties than they can handle without working nights and Sundays under current conditions. Cause of this torrent of properties pouring from owner management to professional management is that owners find rent-control regulations and paperwork too much to cope with.

DETROIT'S GROWTH

The need of manpower to operate Detroit's industry is acting to increase the population of its metropolitan area close to the level of Philadelphia.

The figures to prove the point came out when the Detroit Department of Water Supply set out to establish need for additional utility allocations from the Federal Works Agency.

Department manager Laurence G. Lenhardt reported that WPB estimates the area now served with Detroit water as including 2,250,000 persons, after an increase of 252,315 in the past 13 months. If employment moves up to the peak anticipated next July, and if

ratios of new inhabitants to new war workers continue as in the past, another 336,000 might be added to the tally.

Population in the area served by the water board, therefore, would be up by about 600,000, maybe 750,000.

On the U. S. Census figures of 1940, Detroit's metropolitan area aggregates 2,295,867 persons, compared with 2,904,596 in Los Angeles and 2,898,644 in Philadelphia.

Astor Diversifies

Era of \$10,000 suites gone, Manhattan apartments being exchanged for properties reliant upon nickel-and-dime trade.

Consistent with the faith of realtors in the future of properties brought to life by the war program or the socio-economic influence of the New Deal, Vincent Astor has begun to sift the blue-chip investments out of the family's real estate portfolio and replace them with properties dependent upon the nickel-and-dime trade for income.

The new policy, a reversal of a century-old family tradition, will take the form of disposing of a substantial part of the vast Astor real estate holdings in Manhattan, principally apartment buildings commanding yearly rentals of \$10,000 per unit and up. Astor is said to be convinced that the era of \$10,000 apartments has passed.

• **Bus Terminal Taken**—One such investment that recently has passed from his hands is a twelve-story apartment at 640 Park Ave., a transaction believed to have involved \$1,500,000. Its place in the inventory of the John Jacob Astor fortune has been taken by a bus terminal property in Flushing, L. I., assessed at \$725,000 and occupied by bus lines, air lines, retail stores, and other business establishments.

A number of other transactions said to be on the fire include disposal of the Astor town house in upper Manhattan and a business building on lower Broadway and acquisition of a chain-store property in New Jersey and a large building in Chicago. He has already relinquished a six-story walk-up in the Bronx and a twelve-story apartment building in Manhattan he had owned for 20 years.

• **Manhattan's Future**—Associates emphasize that Astor has not lost confidence in the future of New York. Indeed, he believes New York will succeed Paris as the style center of the world, that it will replace Amsterdam as the diamond-cutting capital, that it will remain the showroom of the world and the hub of the amusement business.

He is listed as the owner of about 40 large Manhattan properties, most of them modern apartment structures.

WAR BUSINESS CHECKLIST

The Week's Orders

A digest of new federal rules and regulations affecting priorities, price control, and transportation.

• **Shoes**—WPB is out to save leather by restricting style and color rather than quality or quantity of civilian footwear. Sole leather is actually the limiting factor in shoe production, but it will be conserved by prohibition of two-toned

shoes and by reducing the variety of colors available. The new order permits only black, white, turtan, army russet, town brown, and blue. (M-217.)

• **Automobiles**—About 210,000 passenger automobiles—what is left of an inventory of 402,077 originally scheduled for release in the first 12 months of rationing—remain for rationing between now and the end of next February. The inventory figure does not include approximately 135,000 held in the government pool for military needs. The 27,500 released in August brings total moved out thus far to about 192,000.

Reserve quotas of passenger automobiles hereafter will be assigned monthly to regional OPA administrators for supplementing allotments to states which exhaust quotas and state reserves without satisfying all demand under rationing. (Amendment 16 to Rationing Order 2A.)

WPB warns persons engaged in manufacturing, selling, distributing, or financing new commercial motor vehicles that they must file reports on any change in inventory status of vehicles covered in July inventory. (Form PD-572.)

Automotive replacement parts, sub-assemblies, and accessories for civilian use are removed from the General Maximum Price Regulation and placed under the Machines and Parts Regulation



Abbott Laboratories,
North Chicago, Ill.
Aberfoyle, Inc.,
Norfolk, Va.
Abbott Fluorescent Co., Inc.,
New York, N. Y.
Accurate Brass Co., Inc.,
Glendale, L. I.
Air-Track Mfg. Corp.,
College Park, Md.
Alliance Machines Co.,
Alliance, O.
American Brake Shoe &
Foundry Co.,
Chicago, Ill.
American Machine &
Metals, Inc.,
East Moline, Ill.
American Rolling Mill Co.,
Six plants
American Smelting & Re-
fining Co.,
Hayden, Ariz.
Ames Iron Works,
Oswego, N. Y.
W. R. Ames Co.,
San Francisco, Cal.
Ansonia Manufacturing Co.,
Ansonia, Conn.
Arcos Corp.,
Philadelphia, Pa.
Beaumont Mfg. Co.,
Spartanburg, S. C.
Bell & Howell Co.,
Chicago, Ill.
Blaw-Knox Co.,
Pittsburgh, Pa.
Bonney Forge & Tool,
Allentown, Pa.
Boeing Airplane Co.,
Wichita, Kan.
Boott Mills,
Lowell, Mass.
Briggs Manufacturing Co.,
Detroit, Mich.
Cessna Aircraft Co.,
Wichita, Kan.
Chrysler Corp.,
Six divisions
Clayton Manufacturing Co.,
Los Angeles, Cal.
Climax Molybdenum Co.,
Three divisions
Clyde Iron Works, Inc.,
Duluth, Minn.
Continental Roll & Steel
Foundry,
East Chicago, Ill.

Corbin Screw Corp.,
New Britain, Conn.
Couse Laboratories, Inc.,
Newark, N. J.
Cramerton Mills,
Cramerton, N. C.
Duiron Co., Inc.,
Dayton, O.
E. I. Du Pont De Nemours,
Neoprene plant
Deepwater, N. J.
Eaton Manufacturing Co.,
Detroit, Mich.
Edgewater Steel Co.,
Oakmont, Pa.
Electric Auto-Lite Co.,
Toledo, O.
Electric Tachometer Corp.,
Philadelphia, Pa.
Fafnir Bearing Co.,
New Britain, Conn.
Federal Motor Truck Co.,
Detroit, Mich.
Flannery Bolt Co.,
Bridgeville, Pa.
Fleetwood Craftsmen, Inc.,
Fleetwood, Pa.
Ford Motor Co.,
Chester, Pa.
Gary Steel Products Corp.,
Norfolk, Va.
General Motors Corp.,
Packard Electric Division,
Warren, O.
General Steel Castings Corp.,
Two divisions
G. A. Gary Planer Co.,
Cincinnati, O.

Goodyear Engineering
Corp.,
Charlestown, Ind.
Greist Manufacturing Co.,
New Haven, Conn.
Hall-Scott Motor Car Co.,
Berkeley, Cal.
Hazard Insulated Wire
Works,
Wilkes-Barre, Pa.
Hayes Industries,
Jackson, Mich.
Joshua Hendy Iron Works,
Sunnyvale, Cal.
Heppenstall Co.,
Bridgeport, Conn.
Hobart Brothers Co.,
Troy, O.
Homelite Corp.,
Port Chester, N. Y.
Hyde Windlass Co.,
Bath, Maine
Independent Pneumatic
Tool Co.,
Aurora, Ill.
Inspiration Consolidated
Copper Co.,
Inspiration, Ariz.
International Smelting &
Refining Co.,
Miami, Ariz.
Kennebott Corporation,
Ray, Ariz.
Kent Mfg. Co.,
Clifton Heights, Pa.
Kilgore Mfg. Co.,
Westerville, O.
Leslie Co.,
Lyndhurst, N. J.

Lidgerwood Mfg. Co.,
Elizabeth, N. J.
Lincoln Mills of Alabama,
Huntsville, Ala.
Magma Copper Co.,
Superior, Ariz.
Miami Copper Co.,
Miami, Ariz.
Monroe Auto Equipment
Company,
Monroe, Mich.
Mount Vernon Die Cast-
ing Corp.,
Mount Vernon, N. Y.
Munsingwear, Inc.,
Minneapolis, Minn.
National Carbon Co.,
Clarksburg, W. Va.
National Wire Die Co.,
New York, N. Y.
North American Aviation,
Two divisions
Norwalk Co., Inc.,
South Norwalk, Conn.
O'Connor Machine Co.,
Sheffield, Pa.
Osgood Co.,
Marion, O.
Owatonna Tool Co.,
Owatonna, Minn.
Pacific Mills,
Lawrence, Mass.
Phelps Dodge Corp.,
Three branches
Philco Corp.,
Two divisions
Revere Copper & Brass,
Inc.,
Chicago, Ill.

Rustless Iron & Steel,
Baltimore, Md.
Scripto Manufacturing Co.,
Atlanta, Ga.
Sharpless Corp.,
Baltimore, Md.
Simplex Wire & Cable Co.,
Cambridge, Mass.
Snow Shipyards, Inc.,
Rockland, Maine
Southern Chemical Cotton,
Chattanooga, Tenn.
E. R. Squibb & Sons,
Three divisions
L. H. Terpening
New York, N. Y.
Trojan Powder Co.,
Seiple, Pa.
Tyler Rubber Co.,
Andover, Mass.
United Elastic Corp.,
Easthampton, Mass.
Universal Building Products
Corp.,
Dallas, Texas
Vanadium Corp. of America,
Bridgeville, Penn.
Victory Plastic Co.,
Hudson, Mass.
Vultee Aircraft, Inc.,
Vultee Field, Cal.
Wallace Barnes Co.,
Bristol, Conn.
Ward Leonard Electric Co.,
Mount Vernon, N. Y.
Waverly Tool Co.,
Irvington, N. J.
Weber Show Case & Fixture
Co., Inc.,
Los Angeles, Cal.
Westinghouse Electric &
Manufacturing Co.,
Baltimore, Md.
Weston Electrical
Instrument,
Newark, N. J.
West Point Mfg. Co.,
Two plants
Wilton Woolen Co.,
Wilton, Maine
T. H. Wood Co., Inc.,
South Coventry, Conn.
Woodward Governor Co.,
Rockford, Ill.
N. A. Woodworth Co.,
Ferndale, Mich.
Worumbo Mfg. Co.,
Lisbon Falls, Me.

(Earlier winners of the Army-Navy award for excellence in production will be found in previous issues of Business Week.)



Concrete saves without sacrificing essentials

Where war hazards and heavy service make rugged, fire-safe construction imperative, concrete provides important savings:

SAVING IN TRANSPORTATION, the bulk of material for concrete is usually available locally.

SAVING IN STEEL, concrete provides maximum fire-safety and hazard protection with a minimum of this critical material.

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PORTLAND CEMENT ASSOCIATION
Dept. 9c-12, 33 W. Grand Ave., Chicago, Ill.

BUY WAR SAVINGS BONDS

(BW-Jul.18'42,p28). (Amendment 16 to Regulation 136, as amended.)

In order to facilitate conversion of four-door sedan automobiles into buses capable of carrying 15 or more passengers, the passenger carrier limitation order has been amended to cover these converted buses. (Amendment 1 to L-101.)

• **Tires**—Superior quality recaps, and in some cases new tires, have been made available for taxicabs by the Office of Price Administration following curtailment of taxicab operations by the Office of Defense Transportation (page 18). Taxicabs have heretofore been eligible for only the lower grade of recapping material used for private passenger cars. (Amendment 27 to Revised Tire Rationing Regulations.)

Operators of commercial vehicles must possess an ODT certificate of war necessity in qualifying for tires under the rationing program after Nov. 15.

To avoid duplication of sectional stocks by competing manufacturers, OPA has limited to 50 the number of sectional warehouses which a tire manufacturer is permitted to establish. (Amendment 26 to Revised Tire Rationing Regulations.)

• **Whiskey**—Ceiling prices for two brands of whiskey which will be bottled with a lighter alcoholic proof for sale in New York State only are established by OPA. New prices apply to sales of Four Roses and Paul Jones, distilled by Frankfort Distilleries, Inc., of Louisville, Ky., when bottled with 86 proof alcoholic content instead of 90 proof. (Order 1 under Regulation 193.)

• **Beverages**—Caffeine and theobromine, which can be processed to produce caffeine, are placed under complete allocation control beginning Oct. 1, under a regulation expected to reduce amounts of caffeine available for beverage production.

All wholesale and retail druggists are exempt from the order since both caffeine and theobromine are important medicinal drugs. The order effects manufactures of "cola" beverages primarily, but all importers, producers, refiners, and primary distributors are covered. The shipping situation has curtailed supplies of cocoa beans, coffee, coffee scrapings, tea waste, and mate, the raw materials from which the drugs are made. (M-222.)

• **Food**—Wines, jellies, and preserves have been added to the list of products for which use of standardized bottles is required. WPB extends use of simplified containers formerly required for distilled spirits and malt beverages in two new schedules, and various other schedules to govern food products (BW-Jun.27'42, p54), medicines, and other commodities

are now being formulated. (Amendment to L-103.)

Christmas and other holiday candies have been removed from GMPR and placed under an independent regulation since these items were not consumed in volume in March. (Amendment 16 to Supplementary Regulation 14, GMPR.)

Salmon, which the government did not purchase under the terms of a previous order, is refrozen in the hands of canners until further notice—this prevents disposal of salmon (page 30) which WPB required packers to hold in May when the entire pack of salmon, pilchard, Atlantic sea herring and mackerel was set aside for government needs. (M-186-c.)

Substantially the entire meat industry with the exception of retailers has been brought under unified licensing control by OPA. The license is a required condition for selling any meat or meat product subject to price regulations, and retailers are excluded because they are governed by GMPR. (Supplementary Order 14.)

WPB has instructed large meat packers to make no deliveries of sheep intestines until all purchase orders for surgical sutures are filled. (M-220.)

• **Typewriters**—A moratorium on recall of standard size typewriters (BW—Sep. 5'42,p28), manufactured after Jan. 1, 1935, and now on rental to nonmilitary agencies of the federal government, is declared by OPA in extending the date for recapture of these machines to Dec. 15. Extension is designed to give agencies time to obtain machines through the Treasury Procurement Division.

• **Telephone**—WPB has tightened restrictions (BW—Jul.25'42,p45) on use of critical materials by telephone companies throughout the country. Amended orders cover all materials and equipment used in the industry, such as switchboards, instruments of all types, cable, wire, poles, line hardware, etc. This equipment involves use of steel, copper, lead, tin, and nickel. Regulation is intended to stop further installation of residence telephone extensions, prohibit placing of open copper wire in local exchange line plants, reserve facilities for essential services, limit extensions and replacement except when specifically authorized for a project of under preference rating certificate on PD-1A or PD-200 form. (Amendment to L-50, L-148, P-130, P-129.)

• **Refrigeration**—Approximately 50,000 mechanical refrigerators, frozen in the hands of dealers and distributors since Feb. 14, have been released to facilitate acquisition of new refrigerators by consumers who certify that they have no other refrigeration equipment at their disposal. A program is provided at the same time for transfer of refrigerators



Not to be sent until the war is won...

Let's be realistic. The task of rebuilding a world ravished by war will be even more gigantic than today's number one job of winning the war. Industry will face the problem of making a thousand things cheaper, faster, and better than ever before. And not for just a year or two, but *permanently*.

This is where Taylor can help you—*NOW*. The Taylor Instruments you buy today for war production can be planned for quick conversion to peacetime manufacturing.

This isn't crystal-gazing. It implies no uncanny knowledge of the future. It's because Taylor Instruments *right now* are designed for speedy adaptability to new methods, new processes, new emergencies. The inherent flexibility of Taylor Instruments—the unit construction and interchangeability of parts that have helped so many industries convert

quickly from peace to war—will make it just as easy to change back from war to peace.

For example, suppose you were now using a Taylor Fulscope Controller in the manufacture of explosives. After the war you could conceivably switch to the manufacture of pharmaceuticals—or plastics—or fertilizers—and control the process with the same instrument. The new Taylor Aneroid (mercury-less) manometer for measuring rate of flow and liquid level is another example of the vision of Taylor engineers in designing instruments adaptable to the problems of both today and tomorrow.

Your Taylor Field Engineer in his daily contacts with war plants is accumulating a vast reservoir of experience which has already made him more valuable to you than ever before. Whether your problem is getting new instruments, or adapting or prolonging the life of present instruments, there's probably no one better fitted to find you a permanent solution. Call your local Taylor office. Taylor Instrument Companies, Rochester, N. Y. and Toronto, Canada.

TO AMERICANS ON THE HOME FRONT:

Taylor Household Thermometers and Weather Instruments have enlisted for the duration. Most stores still have stocks on hand. If yours hasn't, remember—Taylor's war experience will bring you even better instruments later!

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BONDS AND STAMPS**

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— MEAN —

ACCURACY FIRST

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TEMPERATURE, PRESSURE, HUMIDITY,
FLOW AND LIQUID LEVEL



This will do it

HAVE you a tough 24-hour-a-day lifting job to do? Is it 500 lbs. or 40,000 lbs. you lift at a time? We build a 'Load Lifter' of the size and kind you want that will give trouble-free service even in these strenuous times. Reasons why? —

1. "One-point" lubrication.
2. Hyatt Roller Bearings and Ball Bearing Motor.
3. Safety upper stop; lower blocks, sure brakes.
4. Two-gear reduction drive; sealed against oil leaks; steel interchangeable suspension.

'Load Lifter' electric hoists are built with lifting capacities of 500 lbs. to 40,000 lbs. in all combinations required for industrial lifting necessities. They are adaptable to almost every working condition within their capacities. Send for Bulletin 350.



'LOAD LIFTER' *Hoists*

MANNING, MAXWELL & MOORE, INC.
MUSKEGON, MICHIGAN

Builders of 'Shaw-Box' Cranes, 'Budgit' and 'Load-Lifter' Hoists and other lifting specialties. Makers of Ashcroft Gauges, Hancock Valves, Consolidated Safety and Relief Valves and 'American' industrial instruments.

70 • War Business Checklist

held by manufacturers and their affiliated distributors to retail dealers and other outlets. (Amendment 2 to L-5-d.)

OPA has provided a new method of computing warehousing allowances, which distributors as well as manufacturers may add to their base prices for new household mechanical refrigerators just unfrozen. The action does not alter price to the retail buyer. (Amendment 4 to Regulation 110.)

To save copper, zinc, tin and other critical materials, specifications have been issued for the manufacture of coil or tube assemblies for refrigeration condensers and coolers. The schedule limits use of nonferrous metals, weight of ferrous metals, and percentage of materials used for coating or bonding. Savings in copper alone are estimated at 40 lb. per ton of refrigeration capacity or 3,100 tons annually. (Required Specifications Schedule III to L-126.)

• **Electrical Goods**—Portable electric fans in the hands of manufacturers have been placed under complete allocation, although stocks held by retail distributors and dealers may still be sold without restriction to consumers.

Production of fans is now limited to "Victory" models being manufactured according to the government's emergency specifications, those ordered for Navy or Maritime Commission and meeting their specifications, and those produced as a result of appeals taken under provisions of the copper conservation order prior to Sept. 5. (L-176.)

Wholesalers have been brought under the price schedule for manufacturers of wire, cable, and cable accessories. Formerly control under separate schedules worked an injustice since the manufacturers were permitted to base prices on Oct. 15 of last year while their wholesalers were forced to base prices on Oct. 1, and many manufacturers had increased their prices in this interval. (Amendment 2 to Revised Price Schedule 82.)

• **Soap**—To permit handling without loss, OPA has made an upward adjustment in the maximum price for soap sold by ten wholesale dealers. Action was taken because wholesalers' selling price during March did not reflect increases in manufacturers' prices made during the previous two months.

Therefore GMPR froze wholesalers' prices at an unrepresentative level. Adjusted prices will permit a gross markup of 3% over low cost of acquisition for soaps—the minimum markup under which most wholesalers can handle these products. (Order 42 under 1499.18-b, GMPR.)

• **Drugs**—Sales and deliveries of botanical drugs—such as digitalis, cascara bark, and hydrastis—by the pickers, growers, diggers, and gatherers of these drugs

Business Week • September 19, 1942

Tego-Bonded Plywood

Saves Critical Metals ... Speeds Production

have been exempted from GMPR, since they are derived chiefly from plants picked or grown only during limited seasons of the year. Thus prices are not adjustable to the March base period, but the exemption will not mean higher prices to consumers, since drugs made from the products are subject to price control. (Amendment 25 to Supplementary Regulation 1, GMPR.)

• **Steel-WPB** has issued emergency specifications for design, fabrication, and erection of structural steel which will govern all buildings constructed, financed, or approved by governmental agencies on contracts placed after Nov. 9. Order requires higher unit stresses than those normally used, thus permitting lighter sections of beams and other materials without endangering safety of the building. Estimated saving is approximately 10% of the weight of structural steel used in building construction. (Directive 8.)

• **Apparel**—Recognizing the differential in prices for men's and boys' clothing charged during the base pricing period by two different types of manufacturing and wholesale houses, OPA has provided adjustment to the pricing formula for men's and boys' tailored clothing. (Amendment 2 to Regulation 177.)

Minor changes have been made, relaxing specifications in the Men's Work Clothing Order. (Amendment 1 to L-181.)

• **Textiles**—The withdrawal from Customs of imported long staple raw cotton has been brought under complete control by WPB to assure an ample supply for war plants and essential civilian use through elimination of possible congestion of entries due to tariff quota limitations. Action affects about 150,000 bales of long staple cotton either in the country in bond under customs regulations, or due to arrive shortly. Under present quota regulations only about 91,300 bales could be withdrawn. (M-236.)

Classes of textiles for which a specified premium of 7% may be charged on export sales have been broadened to include practically all goods and yarns made of cotton or artificial fibers. (Amendment 1 to Revised Maximum Export Price Regulation.)

Restrictions on foreign unshorn lamb skins have been removed from the shearing and wool skin conservation order. (Amendment 1 to M-94.)

• **Cordage**—Manila cordage may now be purchased for permitted uses without specific authorization. (Amendment 1 to M-36.)

Agave fiber will not be permitted for production of ordinary wrapping twine after Sept. 31. (Amendment 2 to M-84.)



THIS PARACHUTE FLARE BASE, previously made of critical metals, is now made of Tego-bonded plywood. Vital savings in materials and a new high rate of production have been gained through the use of Tego Resin Film in this important war product. The flare base is manufactured by the Armstrong Cork Company.



DROPPED FROM AN AIRPLANE, parachute flares lessen the hazards of a forced landing at night. To make the new plywood flare base, Armstrong Cork interleaves Tego Resin Film between fifty 1/32-inch veneers, hot presses the material into sheets from which water-proof, weather-proof bases are rapidly machined.

IF you have a problem concerning the use of resin adhesives in plywood products for war, we can probably help you. Starting in 1935 with the introduction of TEGO*—the resin adhesive which revolutionized the production and use of wood as a structural material—this company has pioneered every important advance in resin-

bonded plywood. We can offer today a quality adhesive for use in every resin-bonded plywood war product.

• ***TEGO-bonded plywood is the accepted standard for aeronautical plywood complying with the rigid requirements of U.S. Army and Navy Specifications.**

Other Synthetic Resin Applications Developed By The Resinous Products & Chemical Company

WOOD AND METAL COATINGS, resin emulsion paints, synthetic rubber plasticizers, gas-resistant coatings, ion exchange resins for purifying water—all these are synthetic resin applications developed in our Laboratories which are today constantly expanding through the use of resins we manufacture. Two illustrations of this are:

AQUAPLEX—the result of ten years' experimentation with synthetic resin emulsions—is today the base of many paints used to camouflage gun emplacements,

munition depots and large war plants. Many of the Government's largest building projects are using AQUAPLEX base paints for lasting protection.

PARAPLEX—Cloth that resists many deadly war gases is one important product now made with the aid of our tough, rubbery PARAPLEX synthetic resins. Other important PARAPLEX applications include permanently flexible coatings and adhesives, caulking compounds, and special coatings for rubber.

**THE RESINOUS PRODUCTS
& CHEMICAL COMPANY**

WASHINGTON SQUARE, PHILADELPHIA, P.A.

979
88



THE FIRST *Heat Engine* TO CONQUER A DICTATOR

Behind massive stone walls, the feudal dictator held life-and-death power over his hapless subjects. Then the common man found a way to shatter the masonry by throwing heavy metal balls from a distance—and the feudal dictatorship was doomed.

The primitive cannon and the modern internal combustion engines of today have a common parentage . . . both are heat engines. As the first cannon gave direction to the expansive power of burning gases, so modern engines and motors must be harnessed to their loads to direct their power for efficient service.

The essential link (the clutch) which connects an engine or motor to its load is the specialized business of the Twin Disc Clutch Company. For nearly a quarter of a century, research, design, engineering, specially-developed

test equipment and the last word in production facilities, have been constantly devoted to the fulfillment of a single idea:

The production of a standard line of industrial clutches which would not only be mechanically adaptable to the machine and the engine, but would demonstrate their worth by their made-to-order fitness for the job.

Engine builders and machinery manufacturers, large and small, have learned that this specialization results in a better clutch—either friction or hydraulic—at a lower cost. War needs dictate present deliveries but our engineers will gladly consult with yours now, toward the development of units which will meet tomorrow's needs by doing the job easier, faster or better. **TWIN DISC CLUTCH COMPANY,** 1402 Racine Street, Racine, Wisc.

Twin Disc heavy duty clutches installed in a huge power shovel allow the operator to direct and control brute engine power and make the machine perform virtual miracles of precise coordination.



Heavy Duty Clutch



Tractor Clutch



Hydraulic Torque Converter



BUSINESS ABROAD

Hitler's Plan

Nazis bleed occupied countries of industrial might so that United Nations can't exploit factories on second front.

Russia was the focus of war activity this week, but there seems to be special significance in the renewed Royal Air Force attacks on such Nazi industrial centers as Bremen and in the new Hitler-dictated forced labor law announced by Vichy.

That Winter Threat

It is plain now that Hitler's plans for an all-out victory over Russia are not materializing as rapidly as he expected. The widely heralded all-Europe conference which the Nazis have planned for this month will be held, but it is already mid-September and the Russian armies—though they have surrendered vital territory—have not been broken up and the Germans have less than six weeks before winter for any new offensive against Moscow and Leningrad.

It is this realization—that the Axis may still have a fairly strong front to maintain in Russia this winter and next spring when, certainly, Berlin will be confronted with a United Nations offensive somewhere in the West—that is forcing Germany to make drastic new plans to meet the huge production demands which 1943 is bound to bring.

No Labor for Harvest

It is no secret that all Europe has had a poor harvest this year. In part this is due to a rainy season. Crops are inevitably reduced, too, by a shortage of fertilizer supplies. But most important of all, there has been a shortage of farm labor, and now the Nazis are unable to spare either soldiers or industrial workers to move across the country as "shock crews" during the harvest season.

This shortage is responsible for the drastic new labor draft imposed on France this week, and for rigid new measures in Germany aimed at a tighter concentration of industry—with all munitions output being consolidated in the biggest and most modern factories.

Germans Boss Aliens

There are four reasons for this new Nazi move:

(1) Many of the 2,000,000 war prisoners are employed on German farms or in road gangs. This frees Germans for work in home factories where they can supervise aliens.

(2) More than 3,000,000 foreign

THE WAR and your INSURANCE AGENT

THESE are days when it is important that we all have a sympathetic understanding of the other fellow's problems. No seat on the bus, no berth on the train, no room in the hotel, the laundry late, no meat, no coffee, no gas—so what? The railroad's at war, the hotel's at war, the laundry's at war—we're *all* at war. Your insurance agent (or broker) is at war. Many of them are actually fighting. All of them are doing the best they can under the circumstances.

They're carrying on . . .

The business of those agents who are in the armed services is frequently being carried on by their associates—sometimes by members of their immediate families. We

urge that you continue your insurance account with such agencies. We shall be glad to be of service to anyone whose insurance man has gone to war. If you have any questions to ask regarding any form of insurance—write us. We won't solicit your business and will endeavor to be as helpful to you as we possibly can.

For the duration . . .

Your insurance man can't get around today as much as he would like to. The tire and gas situation is preventing the personal delivery of renewal policies and interfering with the frequent checkups that most insurance men like to make. You can help by calling on your insurance agent if you are near his

office and by advising him by phone if you are in need of additional coverage. And be sure to tell him if there is any change in the status of your affairs.

For your protection . . .

Nothing will interfere with your agent or broker furnishing you with any form of insurance protection. You may be sure of that. But don't wait for him to see you. If you need insurance, give him a ring or call at his office. You may find him typing his own policies and writing letters in longhand because some young woman in the office has just become a WAAC or a WAVE. But he will give prompt attention to your insurance needs—as usual.

Keep 'em Flying!

HARTFORD INSURANCE

Hartford Fire Insurance Company • Hartford Accident and Indemnity Company

THE TWO HARTFORDS WRITE PRACTICALLY EVERY FORM OF INSURANCE EXCEPT LIFE

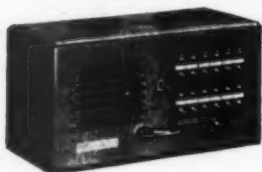


HARTFORD, CONNECTICUT



TELEPHONE
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is a Great Expediter



... And Graybar will expedite its purchase.

The time involved in purchasing today is just as important as the time involved in production. The cry is: "Cut both!"

Once you install Teletalk you will find it the greatest expeditor in your office and plant. There are models with capacities to fit every size of business—from 5 to 24 stations, with or without special features such as busy signals, annunciators and telephone handsets for confidential conversation.

And because Graybar service expedites purchasing, all you have to do to get the advantages of Teletalk quickly, select it intelligently, and have it installed properly is to call the Graybar house nearest to you. They are located in key cities throughout the country.

Graybar Electric Company, Inc.,
Graybar Building, New York City

Offices in Over 80
Principal Cities



workers are now in Germany—some of them volunteers from neutral countries but most of them skilled laborers who have been "induced" to leave their homes to work in Germany's big industrial centers." Nazi leaders find it much easier to control workers' output if they live in tightly policed labor camps inside the Reich.

Worker Morale Guarded

(3) Hitler's economic policy calls for the concentration of all armament production inside the Reich—both now and after the war—as a means of dominating the whole of Europe. So much equipment has already been moved from industrial centers in Holland, Belgium, France, and Poland that it is now necessary to man the machines with imported aliens.

(4) There is growing apprehension in Germany over the United Nations offensive promised for next year. Whenever it comes, Germans fear the effect on the output of war plants in any of the occupied countries. It is their objective now to speed up the transfer of all essential war production to industrial centers within Greater Germany.

Vichy Designates Jobs

The new French labor law makes it compulsory for all men between the ages of 18 and 50 and for unmarried women between 20 and 35 to work. More than this, the Vichy government has the authority to see that they work in industries which are "useful to the nation."

At the same time, Berlin is apparently offering to return one French prisoner for each three skilled workmen who agree to go to Germany on a labor contract.

Labor Recruiting Flopped

Another inducement offered by Germany is the glittering promise of a monthly salary of 200 marks, or more, for working on a 55-hour-week schedule. Since this is equal to at least 4,000 francs a month, and since living costs in the work camps swallow up no more than 1,600 francs a month, French workers are able to make fairly large monthly remittances to their families.

How Hitler Does It

Though Frenchmen realize that France is really paying their wages in the form of indemnity payments of 300,000,000 francs a day to Berlin, they have no alternative in many cases because the Nazis have closed so many French plants where they would normally work.

Pattern for Subjection

This is the third phase of the Nazi plundering of France. The first was to grab all accumulated stocks of raw materials and food and much of the movable property that could be used profit-



LABOR ATTACHÉ

A. McD. Gordon, first official ever attached to a British embassy specifically to represent labor interests, has just arrived in Washington. Not a union man, he becomes British labor's official representative in this country by virtue of long contact with various unions through his work in the Ministry of Labor.

ably in Germany's war effort. Then came the financial infiltration of Nazi control by utilizing huge indemnity payments as collateral to buy control of most of France's big industries and banks. The new labor draft will finish the job of making the country completely subject to Berlin.

Alsace and Lorraine already have been incorporated into the Reich. Through its control over occupied France, as well, Berlin now dominates 55% of France's land area, 66% of the cultivated land, 67% of the population, 65% of the industrial workers, 74% of the wheat production, 70% of the normal potato output, 65% of the cows, 55% of the pigs, 70% of the wine production, and 22% of the horses.

No Choice for Farmer

German overlords have forced farmers to plow up their vineyards and grow more wheat, to collectivize and operate in larger units in order to utilize farm machinery more efficiently, and to grow what Germany needs and dispose of it on Germany's terms.

The question in London and Washington now is what will be left of industrial France if such controls last for long, and what aid—either in materials or usable manpower—can be expected from the population even if a United Nations offensive succeeds in gaining a foothold in France next spring?



EXPEDITERS *Expediting* EXPEDITERS

It's funny what an important word the word "expediter" has suddenly become. It's a vital word today.

Yet, when you apply its real meaning to the procedures employed by people in your own organization, it becomes rather a ridiculous word.

The illustration above is typical. Practically every office tells its own story of office expediters expediting expediters.

Think of the time wasted in "hallway" conferences; of Miss Jones getting some information for you from Miss Smith, and incidentally telling her how gorgeous she looked last night.

This, too, may sound silly. But it isn't. It goes on in your office every day, day after day, right before your eyes, and you never see it, much less think what it is costing you and your associates and employees in time, in money, and energy.

If you want a real expediter in your office and plant, install a Teletalk Amplified Intercommunication system.

It will expedite the securing of the information. It will expedite conferences to be held, by two or four or six or eight men without anyone of them leaving his desk. It can expedite practically every transaction that requires time, energy and footsteps.

Teletalk makes a fine appearance on your desk. A Teletalk system can be laid out to fit your needs. Its cost of installation is not great. Its cost of operation and maintenance is negligible and it is extremely dependable.

Unfortunately though, no matter how badly you may need Teletalk, or how much you want a system, we can supply them to only those people who have the proper priority rating. Governmental demands must come first.

If you are located in one of the major cities, you will find a Teletalk distributor listed in your classified directory as shown herewith. Any one of these distributors can appraise your requirements, make recommendations, and handle the

installation of Teletalk quickly, without inconveniencing you while it is being done. If there is no distributor within easy reach of you, write us and we will see that you are contacted by the proper man.

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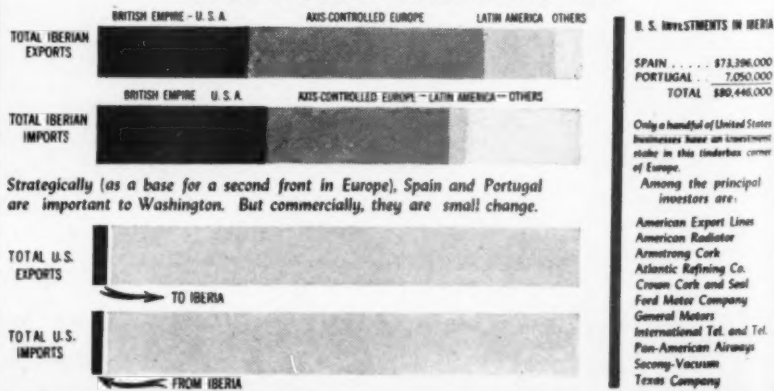
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"Where Quality is a Responsibility and Fair Dealing an Obligation"



Can Spain and Portugal remain neutral while Axis and United Nations fight the showdown battles of this war which are bound to come in 1943 and which inevitably will swing the focus of activity back to the Atlantic and the western Mediterranean? If the United Nations hold in Egypt, must Hitler make his gamble for Africa by way of Spain and Gibraltar? Or will the United Nations move first? Business strategists—along with the military planners in both Berlin and London—weigh the evidence and plot their precarious course in this Iberian Peninsula tinderbox.

IBERIA'S TRADE STAKE IN THE WAR



Pattern for War

Canada launches plans for curtailment and concentration to free labor and plant capacity for arms production.

OTTAWA—Without waiting for the Oct. 1 deadline that President Roosevelt has set for the drastic moves to halt inflation in the United States, Ottawa—in a few bold strokes—has swept the Dominion's economy into a wartime strait jacket that will force speedy and drastic changes in Canada's way of living.

• **Civilian Curtailment**—Following the government's rigid labor control program, announced only a few weeks ago (BW—Aug. 29'42, p34), Ottawa has now set up a new civilian industry curtailment division, with instructions that it find ways and means immediately to pare down production of civilian goods in order to release workers for essential industry and save raw materials.

This new agency is under the control of the Wartime Prices and Trade Board, and will be guided by Donald Gordon, the country's vigorous price administrator, and by Elliott Little, director of Canada's Selective Service. Actual head of the new unit is Robert Chisholm, young Toronto business engineer, who has been acting as the administrator of the wholesale trade in the WPTB.

• **Industry Responsibility**—Scheme of Ottawa officialdom is to give individual industries an opportunity to work out their own curtailment programs in co-operation with Administrator Chisholm. After a limited trial period, if the individual industries fail to work out a satisfactory curtailment plan, Gordon and Little will step in and fix the formula.

Each industrial group is to be asked to set up a committee of its own to determine how it will contribute its share of manpower and other war needs. Little, who has been studying the manpower problem since early this year, insists that these committees include representatives of the workers, as well as ownership and management.

• **Method for Concentration**—Problem of these committees is to take the minimum quantities of goods which the government has decided to allow civilians, and then to determine in how few plants these supplies can be produced. Output will then be concentrated, as in Britain (BW—Sep. 12'42, p17), in these nucleus plants and the remaining units will be closed or converted to war production.

Big plants in industrial areas are more likely to be curtailed or closed down than little plants in small communities; the transfer of workers from



"Want to pull for our Side?"

In this global tug-of-war, the soldiers, sailors and workers of the United Nations need all the weapons we can put into their hands. And all the help we can give.

One of the thousands of tools they must have is rope. You can't run a ship, a railroad, an army, or a war industry, without it.

And the supply is critically low.

You know why: much of our rope fiber came from the Philippines and the East Indies, before the Jap occupations.

It's up to rope (and tying twine) users to protect our present supply

of rope fibers. You can do that by making rope last longer. Even though you are not a sailor, a soldier, a farmer, or a worker who actually handles rope or twine, you can help by passing this story along to those in your company who do.

Show workers how to save rope, save twine. Write for free Plymouth booklets that tell how to make all rope and twine last longer. Distribute these wartime aids to shipping clerks and rope users. Address Plymouth Cordage Company, makers of Plymouth "Ship Brand" Rope and Plymouth "Wartime" Rope, North Plymouth, Massachusetts, or Welland, Ontario, Canada.

PLYMOUTH
ROPE FOR INDUSTRY
BINDER TWINE • TYING TWINE



Compressed Cast-in-Place Concrete Piles
For the Largest
SYNTHETIC
RUBBER PLANT
Completed 28 Days
Ahead of Schedule...
and over
1,000 TONS OF STEEL
SAVED



Driving compressed cast-in-place concrete piles which require no metal casings, MacArthur saved more than one thousand tons of steel ... 32 years of successful experience prompts leading architects, engineers, and industrialists to call in MacArthur when foundations are needed. In all cases where MacArthur Uncased Compressed Concrete Piles are used, critical metal will be released for war needs ... not wasted in steel casings left underground.

MacARTHUR
CONCRETE PILE CORPORATION

18 East 48th Street, New York City
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big plants to neighboring war industries can be more easily handled, and this also helps avoid a housing shortage by bringing more workers to big cities.

• **Labor Regulation Arguments**—While this new concentration of consumer industries is getting under way, Canadian business is still adjusting itself to the labor control measures introduced three weeks ago (BW—Sep. 5 '42, p. 50). Management leaders who applauded the drastic labor regimentation scheme when it was announced are beginning to kick now because the curbs cut two ways, and deeper than they had bargained. Workers can't quit without giving seven days' notice, but neither can employers fire or lay off employees. Employers can no longer cut overhead by sending employees home for a rest without pay when they are made idle by a breakdown of machinery.

• **Administrator Adamant**—Selective Service Director Little refuses to soften the rule in these cases. But it may be necessary to enlarge exemptions from it in order to take care of workers called in only temporarily to repair equipment.

Canada is showing the same timidity in handling retail concentration as Britain did (BW—Feb. 28 '42, p. 34). Canadian price control officials believe consumer costs can be kept down by a pruning operation on the retail system, and a study is being made of the

effect of price ceilings on the expansion and contraction of retail outlets. So far the study indicates that the net mortality since Dec. 1, when ceilings went on, is fairly normal.

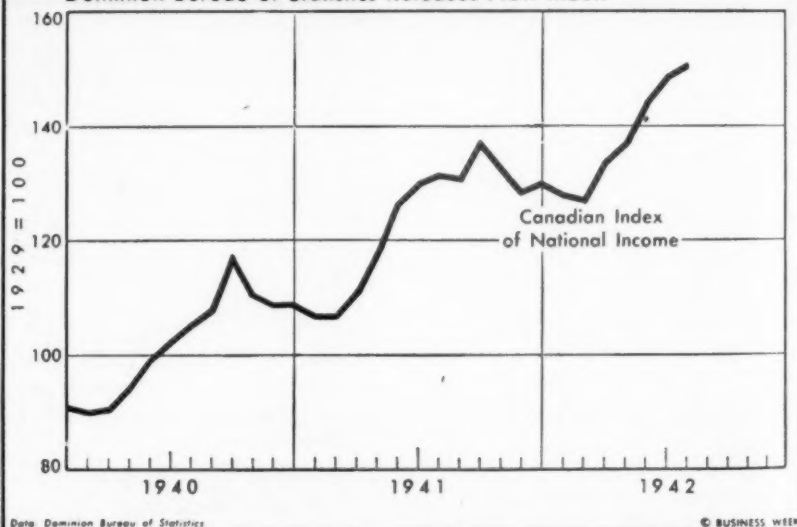
• **Controversy over Store Hours**—Even a proposed curb on retail store hours (11 a.m. opening, with closing times adjusted to a 54-hour 6-day week, 60-hour 7-day week) is proving a hard nut to crack. After blowing hot and cold for a month the Gordon Board has shelved it again in response to protests from several interests. One of these was morning paper publishers who saw a big circulation cut if newsstands and tobacco stores were not open when people went to work. A kick came from other quarters on behalf of housewives who would be left no time to shop for noon meals.

Backers of the plan estimated a release of 10,000 workers by the curb, but this estimate is held by others to be several times too high. Many stores (drug stores especially) are now closing early owing to staff shortages.

• **Flexible Price Control**—The trend of Canadian price control away from individual base period ceilings towards fixed markups (developing since early in the year) is gaining speed. The purpose is to level off the price structure and give it needed flexibility. The change will also help the price administration to

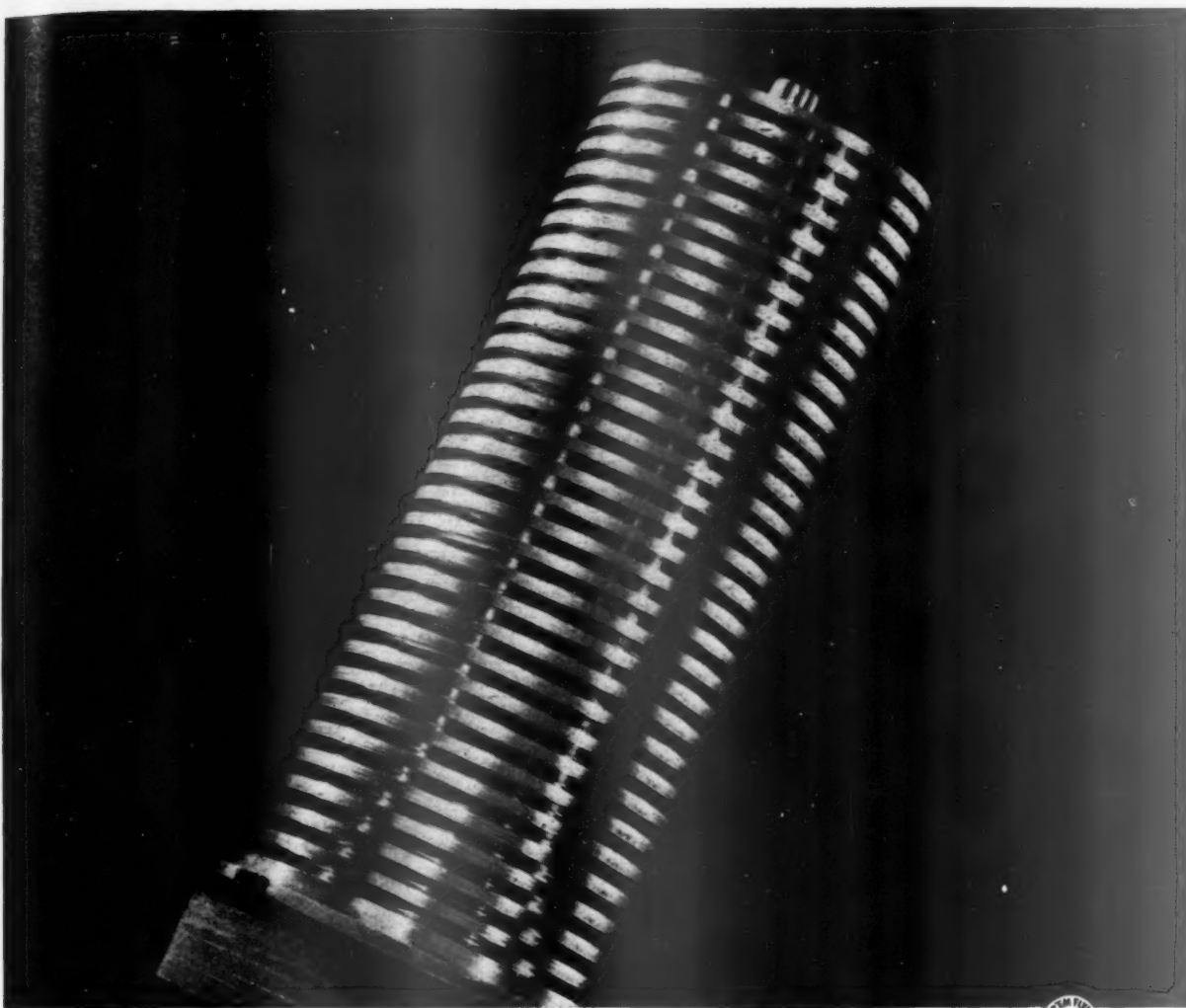
CANADA MEASURES NATIONAL INCOME

Dominion Bureau of Statistics Releases New Index



Spurred by the wartime demand for a more accurate estimate of the national income, Canada's official Dominion Bureau of Statistics has just completed a fresh study of the nation's sources of income since 1919 and compiled a new index which will be brought up to date each month. Because of its significance as a gage of public debt, taxation, foreign trade,

and the cost of living, besides providing a measure of the volume of goods and services created by Canada's economic system, Business Week has incorporated it in the recurring monthly chart of business trends in Canada (BW—Sep. 12 '42, p. 82). Complete details about the new index are available from the Department of Trade and Commerce, Ottawa, 50¢.



The heat is on in the stratosphere

UP IN the stratosphere, where it is always bitter cold, the heat of battle is on. There is an international race to build airplanes that are able to fly and fight higher and higher—and higher still.

The heater pictured above is one of the reasons why America is winning this race. It is part of the system which uses the heat from the engines of a Boeing Flying Fortress*; it helps to keep the pilot's cabin warmed to 60 degrees above zero when the temperature is 60 below in the thin air outside.

But the heat is on in production, as well as in the stratosphere. And in this

race, too, the heater is out in front. Originally a part requiring complex machining, expensive tooling, and long hours of work, it has been redesigned by Boeing engineers to meet quantity production standards.

Now it is turned out nine times as fast as formerly.

The simplification of aircraft engineering design for increased production is part of a Boeing educational program called *Design for Production*.

Under this program, Boeing engineers maintain constant contact with the problems of Boeing production and shop

men, and continually work toward the design which makes for maximum efficiency in manufacture.

The little cabin heater that warms a Flying Fortress is a fitting symbol of the work of the Boeing program. . . . It serves as a reminder to the men who fly the Fortresses that the men and women who build them are turning on all the heat, all the time.

The increase in speed and efficiency in production . . . for war and for peace . . . is only one of the many projects which form a constant part of the Boeing engineering schedule.

DESIGNERS OF THE FLYING FORTRESS • THE STRATOLINER • PAN AMERICAN CLIPPERS

*THE TERMS "FLYING FORTRESS" AND "STRATOLINER" ARE REGISTERED BOEING TRADE-MARKS

BOEING

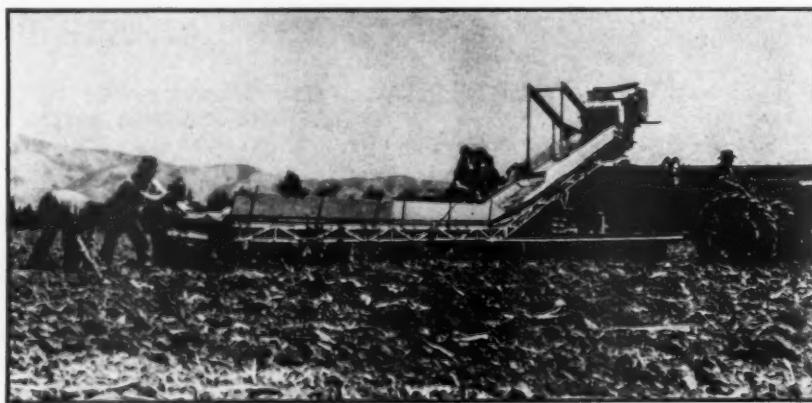
take care of the discrepancy between Canadian and U. S. prices after the latter come under the firmer control now promised.

Up to now, 80% of canned fruits and vegetables have been subject to base period wholesale and retail ceilings, the remainder being controlled by a markup allowance of 25% of the retail selling price. These ceilings are now being washed out; wholesalers are allowed a markup of 10% of their selling prices, retailers 20%. Cannery ceilings, which are supported by subsidy, are not changed.

• **Expedient Hasn't Worked**—Ottawa faced the displeasure of farmers several months ago and banned commercial export of cattle to the United States in a desperate attempt to break a four-month beef shortage, but it hasn't worked. Previously the government's Wartime Food Corp. had been diverting cattle from export by paying United States prices for the number that could be exported under the trade treaty quota, Canadian prices prevailing for the remainder.

But time has revealed that cattlemen stopped selling as soon as the quota number was bought in, holding their stock for the next quota quarter. To remove the incentive to hold, export was barred altogether except by Food Corp. But still cattle are not coming to market.

• **It's a Matter of Price**—To make the pill still more bitter for Price Chief Gordon, Agriculture Minister Gardiner endorses the holdout by advising beef-hungry Canadians they can have beef if the cattle price is boosted.



NO STOOP

One of the most critical harvesting crises arising from farm labor shortages is in the western sugar beet fields. That's why growers were keenly interested in the timely arrival in California early this month of the first commercially-built harvester, long the subject of costly research by the sugar beet industry. The first of the ma-

PRODUCTION

Fuse Speedup

Pooling of men, methods, and machines in new scheme of industry integration saves a year in production schedules.

Though it might seem that every conceivable type of committee had already been formed to aid the war effort, a new kind has come to light. It is an industry committee that ignores traditional industry lines. It consists instead of companies making a single, highly specialized war product.

• **One Year Saved**—It has been tried out with extraordinary success since last spring among makers of mechanical time fuses for the Ordnance Department of the U. S. Army. Results are even beyond the highest expectations of the originator, Maj. Gen. Levin H. Campbell, Jr., Chief of Ordnance.

A solid year has been saved in getting production of fuses up to the schedule desired; and that in a critical item which requires extremely delicate manufacturing technique. Early in 1942 it was believed that full output of fuses, according to the program laid down, could not be achieved until the middle of '43. And to do that, two brand-new factories would have to be built and equipped from the ground up.

• **Others Being Set Up**—Efficient functioning of an "industry integration committee" so accelerated the program that the anticipated top operating rate was reached by midsummer. The plan has worked out so well, in fact, that industry integration committees are being set up in a number of other ordnance items.

Topflight names are represented on the mechanical time fuse committee: Eclipse Machine Division of Bendix Aviation Corp., Eastman Kodak, National Cash Register, Hamilton Watch, Elgin National Watch, George W. Borg Corp. and the Frankford, Pa., arsenal of the Ordnance Department, all prime contractors. Four chief subcontractors, watch makers, are participants too.

• **Techniques Exchanged**—These companies, many of which are competitors in peacetime and reluctant to reveal manufacturing secrets to one another, have put down all the bars. They interchange parts, materials, tools, and machines among themselves. They exchange technical information. The experienced teach fuse-manufacturing "savvy" to the inexperienced. Private property is transferred from one company to another by outright sale or by exchange. Machines or tools owned by the government but in the possession of a member company are exchanged merely by a paper transaction.

Each fuse maker practically lives in a glass cage where the industry integration committee can watch him. He furnishes the committee a list of his productive facilities, actual and projected rates of output, inventory of finished parts, inventory of materials on hand and on order, and promised delivery dates. The committee, in turn, recommends definite allotment of production schedules to each company.

• **Helping a Newcomer**—Cooperation in helping a newcomer get started has gone to amazing lengths. Eclipse Machine Division of Bendix was the first company to make mechanical time fuses in large quantities. It got a head start, its store of knowledge and experience was greater than anyone else's. It became the key company in the program.

It had two production lines from which fuses were coming by the thousands. Between these was installed a third line, owned and operated by the George W. Borg Corp., which was in the beginning stages. The machinery and equipment belong to Borg, who furnished green help as operators. Eclipse supplied experienced operators to teach the Borg people.

• **Week End Shift**—Borg operators soon got the feel of the work so that the Eclipse operators could return to their

chines, now in production by the John Deere Plow Co. is operating near Bakersfield in the San Joaquin Valley.

The harvester tops the beets, lifts them out of the ground, and deposits them either in windrows or in trucks. This mechanical operation eliminates stoop labor, long the bugaboo of the beet growers. Both Allis-Chalmers and International Harvester have similar models "coming up."



Sure I Know the Gulf South . . .

I'VE GOT A MILLION BUDDIES DOWN THERE

• The Army knows the Gulf South—the Navy, too. Count the posts, camps, bases, and stations down here. They are everywhere.

The Gulf South is one of the nation's important war training areas because of its year-round climate; because it's a big country, able to shoulder the war load; because it is well served with rail-

ways, waterways, highways, and skyways, and abundant Natural Gas!

After the war is over—and we have won—the same matchless advantages and rich resources of the Gulf South for war await peacetime industrial development. There will be opportunity for **YOUR** industry in the Gulf South.



PLAN YOUR FUTURE IN THE

Gulf South

For information on the GULF SOUTH write to
DIRECTOR OF INDUSTRIAL DEVELOPMENT

**UNITED GAS
PIPE LINE COMPANY**

FOR TEXAS, Mail received at: Beaumont, Beeville, Dallas, Fort Worth, Houston, Longview, San Antonio and Wichita Falls. **FOR LOUISIANA**, Mail received at: Baton Rouge, Lake Charles, Monroe and Shreveport. **FOR MISSISSIPPI, ALABAMA and FLORIDA**, Mail received at: Jackson, Mississippi.

ALL INQUIRIES CONSIDERED CONFIDENTIAL

BUY UNITED STATES WAR SAVINGS BONDS AND STAMPS . . . HELP WIN THE WAR

COPR., 1942 UNITED GAS PIPE LINE CO.

own jobs. After a short time, the Borg line was running so smoothly that it was moved bodily one week-end from the Eclipse factory hundreds of miles to the Borg plants, where work was resumed Monday morning. The trained Borg operators acted as instructors for new workers.

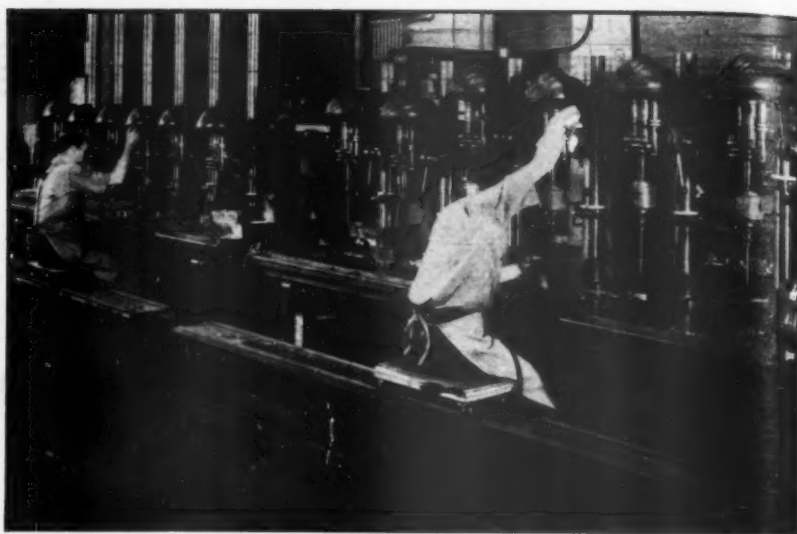
Months were saved in expanding Borg's production to the required maximum by this procedure. The same plan was used by a watchmaker, who moved a manufacturing line into the Frankford arsenal, where the trained arsenal personnel taught the watch company's workers to do a totally new job.

• **Not a Policy Group**—The committee's setup is simple. Each fuse manufacturer has one representative on the committee, who is a man with production experience. The chairman is chief of an Ordnance Department branch. The deputy chairman is a military officer, too. The shirt-sleeve operating head of the committee, however, is a civilian with the title of assistant chairman.

No authority rests with the committee to commit the Ordnance Department to any action or policy. The committee collects and correlates information and makes recommendations to the assistant chairman. The main ordnance officer has the power to translate the recommendations into an order from the Ordnance Department.

• **Plan Arnold-proof**—All of this procedure has the approval of the Attorney-General, who does not see in it a conspiracy in restraint of trade or a scheme for creating a monopoly. He has specifically laid down the limits within which the plan can operate without a crackdown by Thurman Arnold. He defines its purpose as "to obtain maximum production of certain ordnance supplies and material from available facilities." He makes the further qualification that "contractors' representatives on the committee are limited in their functions to the collection, correlation and analysis of information, and to the making of recommendations."

• **Aid to Ordnance**—Numerous advantages stem from the industry integration committee plan: (1) reduction of manufacturing costs; (2) better balancing of production among all fuse makers; (3) elimination of unreasonable demands for expediting materials, tools, and machines; (4) weeding out of manufacturers not capable of tooling their machines efficiently; (5) helps Ordnance district offices to place contracts at fair prices; (6) makes available to the smaller company the knowledge and skill of the larger company; (7) secures full production of ordnance items with minimum of plant facilities; (8) discloses on short notice complete information regarding productive capacity of an industry, its inventory of parts and materials, and its total resources.



Scooting along on their roller-borne seats, operators of six drill presses on each of two six-spindle sectional tables

pass from operation to operation with minimum effort and no loss of time at Binks Mfg. Co.

Small But Mighty

Light-duty power tools go to town as war industries find scores of new—and frequently spectacular—shop applications.

A wartime production development that is certain to carry over into post-war shop practice is use of light-duty power tools. The installation of this class of tools in factories goes back to the mid-thirties. But in 1941-42 not only the industrial use but also the total production of the leading companies has made tremendous gains. Best evidence of the increasing factory use of light-duty tools has been the frequency with which they are to be seen in war production plants.

Principal manufacturers of this equipment are: Atlas Press Co., Kalamazoo, Mich.; Boice-Crane Co., Toledo, Ohio; Delta Mfg. Co., Milwaukee; Duro Metal Products Co., Chicago; and Walker-Turner Co., Plainfield, N. J. Their principal products are saws (band and circular), cut-off machines, drill presses, grinders (surface and abrasive finishing), jointers, and shapers.

• **New Markets**—Major market for these light-duty tools, until about 1936, consisted of schools, basement workshop hobbyists, and small job shops. But two years ago, sales to industrial users had progressed until these were just about 50-50 with the old market. Today, as increased demand is coupled with priorities, sales are 100% to industries serving the war effort.

Two conditions have fostered the

current boom in the use of light-duty power tools. Manufacturers, pressed for ever-greater output of war goods, have had the incentive to experiment with light-duty units as a means of taking some of the load off their big machine tools. Probably even more important in promoting use of these machines has been that, until very recently, the purchasing agent could telephone his mill supply distributor and have them sent over on the next truck-load—they were the only metal-cutting machinery on which immediate delivery was possible, no matter how high the priority.

• **Ingenious Applications**—Unable to get big machine tools, production engineers have of sheer necessity developed innumerable ingenious applications for the little fellows.

The first really major application that got widespread attention was the job that Jacobs Aircraft Engine Co. did in getting multispindle special machine performance with stock Delta drill press heads on mountings specially designed for the job and cast by International Tool (BW—Nov. 15 '41, p48). Since then, scores of uses have come to light, some routine, others almost as highly special as the Jacobs job.

• **Diversity of Use**—Scientific classification of the applications is difficult because the tools are being used in every conceivable way—and in some ways that even the makers will hardly believe when they see them. Woodworking units are successfully cutting airplane metals, and metal-working units are helping to build small boats for the Navy.

Machine heads designed for vertical use are being mounted horizontally or upside down. Light-duty units are

People are funny!



"A poor thing, but mine own!"...

There is a large and important World War going on, but Hank Hurley still likes to talk about the last one. He was a stable sergeant at Fort Sill.

The world's future waits on Libya, say the evening papers. When you get home, the little woman is all agog about Mrs. Whoozis losing her last maid.

The famous banker looked grim as he scanned the news on the train this morning. Coming into Grand Central he confided to a friend that those g—d— gladioli he planted last Spring haven't lived up to the seed catalog by a damn sight.

Sheer trivia, say the deep thinkers. True enough... But that's the way people are. Little things that happen to us are more important than big events elsewhere. The knowledge we have on hand means more than the whole Public Library.

People are funny... That's why they like the funnies so much. The Sunday comics

are old stuff; we've known them since we wore diapers. We know the characters—often better than our own relatives, which is something to be thankful for. We get what's going on, without communiques or expert commentators.

So it's no wonder that the Sunday comics are a good place for advertising. Readership is an old habit, and a whole family habit. There is plenty of time on Sunday.

And it's less wonder—here comes the commercial!—that Metropolitan Group comic sections stack up as one of the best advertising media. The comics are the best, have the largest following. The papers are the best, with more than 12,000,000 circulation in the best markets where two-thirds of all retail sales are made... They have color. The space unit is big. The cost is very low, for what your money buys. You can't get lost, overlooked, overshadowed or two-timed in Metropolitan Group sections... Learn more about these funnies—for your own profit!

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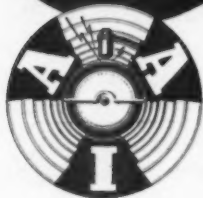
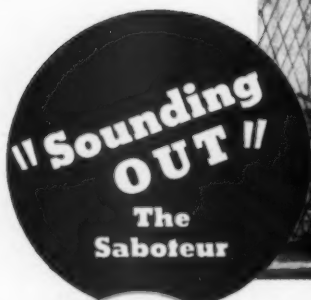
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being incorporated in fullsize machine tools for auxiliary operations. The little fellows are replacing larger, more complex machine tools. Their versatility is astounding.

● **A Trick That Worked**—Unknown to the makers until a few months ago, now spread throughout industry, is the trick of using a milling cutter on a light-duty drill press for such jobs as slotting. With special holding fixtures to feed the work, a Wisconsin plant is thus milling a keyway in bronze blocks, using unskilled operators and achieving close tolerances.

At the Boxar Tool and Die Co., Chicago, and at several other plants making fuse parts, a two-way slide fixture is used to permit maximum output on the machine. While the work in one end of the fixture is being notched, the operator unloads and loads the other end—and cuts this as he slides the fixture in the return direction.

● **Cutting Shell Bands**—Best-publicized use of the light-duty power tools in war production to replace full-size machine tools has been cutting with a cut-off machine, or high-speed metal-cutting saw, nonferrous rotating bands for shells, which were formerly cut on screw machines.

Output of the little machine, costing about \$250, is reported by several users as 250% that of the \$6,000 screw machine—up from 20 per minute to 50 per minute on 20 mm. shell bands, up from 10 to 25 per minute on the 37 mm. size. The smoother cut by the smaller machine eliminates a burring operation. Also, the high-speed saw removes only 50% as much metal in making the cut.

● **Workaday, But**—Makers of the light-duty power tools are a mite wearied by constant emphasis on the more sensational applications of their equipment, prefer to talk about plants where the little machines are used in matter-of-fact manner. The apple of one manufacturer's eye is a Bendix Aviation factory where large departments are equipped with his machines. One of these departments employs row upon row of light-duty drill presses successfully operated by women after a minimum of training, thus releasing the experienced male operators to more demanding work.

But something about the little power tools stimulates the imagination of even the prosiest production engineer and leads to ingenious applications. An installation that starts out to be workaday is likely to develop aspects more spectacular than if the engineer were working with more familiar and larger machine tools.

● **On Roller Seats**—At Binks Mfg. Co., for instance, six drill presses were mounted on each of two conventional six-spindle sectional tables, and the operators sit on special roller seats so

that they can pass from operation to operation with minimum effort and time. At another plant, six standard 17-in. drills were set in a semicircle, with the bases turned backward on the column to save the operator's time and legs. This proved so satisfactory that the management made up another unit, this time a set-up of 12 machines in a full circle.

Bendix has a special curved table on which five drill press heads have been mounted; the operator turns from one spindle to the next for each successive operation.

• **Tables with Tracks**—In the same factory, tables on which drill presses are mounted are equipped with tracks so that the units may be grouped as desired. At Alemite Corp., a six-station setup was developed for drilling seven holes and tapping five, with two operators turning out 200 pieces per hour. One electric products firm uses a dozen 17-in. drills on three tables in U-shape, with three operators. Another has an L-shaped table with two girls operating twelve 14-in. spindles.

One of the most frequent applications is to insert one or more of the light-duty power tools in a line of larger machine tools. Kearney & Trecker Co. cuts copper tubing to length with a small cut-off machine, gets a cut so free of burr that the subsequent flaring operations take only half as long as before.

• **For an Extra Operation**—Many a shop planning department has discovered that a job requiring five drilling or tapping operations can be performed on a four-spindle machine by moving up a light-duty drill press to run the extra operation. Where an automatic-feed machine tool makes a slow cut, it is often possible to set one or two light-duty machines alongside and let the operator make a few hand-feed cuts while waiting for his big job to finish up.

Some toolrooms have equipped every toolmaker's bench with a light-duty drill press and have set a light-duty grinder and metal-cutting bandsaw at frequent intervals to save the expense of having high-paid men walk the length of the shop and perhaps wait several minutes for the use of community machine tools for a few small holes or cuts.

• **Mobility a Factor**—Because light-duty tools are also lightweight—a typical drill press of this class weighs 130 lb. complete with base—they lend themselves to operations on oversize parts where it is easier to move the machine than the work. For instance, as long as a maker of malting drums 22 ft. long used a conventional machine tool for drilling holes around the circumference, he had to leave a floor space 44 ft. long. Shifting to a light-duty drill press, he mounted this on rails on the floor, and

the operator moves the machine around the work in a narrow space.

Airplane plants perform operations on large-dimension, semifabricated pieces of wings and the like by mounting cutting heads on arms which swing out over the job.

• **Auxiliary Operations**—Another class of applications consists of mounting a light-duty head on some larger piece of machine equipment for auxiliary operations. J. I. Case Co. has two drill press heads on a broaching machine to do a drilling and reaming job.

And, in one of the fanciest applications yet devised, the U. S. Army Air Corps mounted a drill press, metal-cutting saw, grinder, and vise on a hand-push truck; now its repair shop goes to the work.

NEW PRODUCTS

Tough Tool Bits

Several months ago, Black Drill Co., 5005 Euclid Ave., Cleveland, introduced its line of "Hardsteel" drills and reamers, so tough and shock-resistant that they will go right through hardened file steel and armor plate. Now the company is bringing out Hardsteel Tool Bits made of the same material (for lathes, boring mills, shapers, planers, etc.) for deep, fast cutting of both ferrous and nonferrous metals. They are made both square and round in the usual tool sizes from $\frac{1}{8}$ in. up.

Tube Bearer

Much of the aluminum, copper, and other metallic tubing that goes into military and civilian service is beaded or



flanged at the ends to facilitate connections. The new Wayne Tube Bearer, recently developed by The Wayne Pump Co., Ft. Wayne, Ind., does both.

By manipulating a simple adjustment, the operator secures from one machine flanges and single or double beads of either curved or bayonet type

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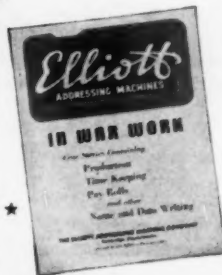
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Acme Steelstrappers SPEED WAR PACKING



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"Bringing home the bacon" is a task Acme Steelstrap and equipment are helping this nationally known packer accomplish. "Home" in this instance is the U. S. Army which requires large quantities of this and other food products to satisfy the healthy appetites of the rapidly expanding armed forces. Speed, of course, is essential . . . so Acme Steelstrap and Steelstrappers are used to get maximum speed on the fast-flowing packing lines.

One piece, easily handled, Acme Steelstrappers tension, seal and cut the strap with one stroke of two levers. Seal magazines are built into the tools to provide a constant time-saving flow of metal seals.

Acme Steelstrap and strapping equipment can help you prepare your war shipments faster, safer and more economically. Mail the coupon for your copy of Acme Process News.

NEWS FLASHES FROM THE PRODUCTION FRONT ACME FIELD MEN REPORTING

Recommendations by Acme engineers have aided hundreds of small and large plants to meet specifications for the reinforcements of all types of war products. The following excerpts are from actual reports:

CALIFORNIA "...Steelstrap and Unit-Load. Spent several hours working with loading crew. Loading from plant and also from box cars. Discussed with foremen bracing of other material and suggested ways to do it faster."

NEW YORK "... Supplied Acme Bands. Company just awarded another Government contract. Recommended new shipping room layout."



The Army gets its bacon sooner...with Acme Steelstrappers on the job. Mounted to standards, these automatically seal-fed tools help the packing room of this nationally known packer keep pace with production.

NEW "SUGGESTION" PLAN

A "suggestion" plan, soliciting ideas from workers, is now in effect at Acme Steel. Acme employees sent in over 100 ideas in just two weeks. Time and material-saving is nothing new to Acme employees. They've been making recommendations for better, faster, lower cost shipments to industry for years.

TIME-SAVING IDEAS FOR WAR PRODUCTS SHIPPERS

Shippers find many sound suggestions for speeding up their shipments in the illustrated Acme Process News distributed at regular intervals by Acme Steel Company. Just mail the coupon.



ACME SilverStitchers

DO THEIR PART IN WAR EFFORT

New production records in stitching fibre and corrugated boxes are being made by Acme Silverstitchers. Used in hundreds of war production plants, these new, low-cost Silverstitchers are becoming the preferred stitching equipment because of their speed and economy. Some manufacturers have cut sealing costs as much as 50% because less material is used. In addition, sealing by stitching is often twice as strong as other sealing methods. A strong package is assured. Acme Silverstitchers are made in all standard and many special types . . . both machine and wire are furnished and guaranteed by Acme Steel Co.



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on tubing ranging from $\frac{1}{4}$ in. to 2 in. outside diameter. The business part is an internal roller, direct-connected to a motor, which completes an average bead or flange job in less than a second.

Protective Clothing

On the theory that production welding is considerably speeded if the



operator is comfortable and confident that no hot sparks and spatter are going to burn him, American Optical Co., Southbridge, Mass., called in an expert welder for practical assistance in the design of its new line of AO Welders' Safety Clothing.

Overalls, pants, chaps, coats, capes, aprons, spats, sleevelets, gloves, mittens, whatever—all are made of the largest pieces of chrome-tanned cowhide possible, to insure a minimum of the seams that normally give out first in such garments and let in sparks. The leather is backed by fire-resistant duck.

Tip Refrigeration

Speedy as spot welding is in the production of tanks, planes, guns, and other munitions, it can be made even faster, cleaner, and more efficient if the welding tips are kept cool by refrigeration. Newest unit for the purpose is the Fairbanks-Morse Spot Welding Tip Cooler just being announced by Fairbanks, Morse & Co., 600 S. Michigan Ave., Chicago.

It is a self-contained, electrically powered cooling apparatus, occupying less than 8 sq. ft. of floor space, which chills and circulates a special noncorrosive, nonprecipitating solution through the tips and back to the unit for recharging. Because it increases the number of spot welds between tip cleanings by lessening the amount of welded metal picked up by the tips, it is already speeding the production of aluminum aircraft weldings.

MARKETING

OPA Trims Sails

Consumer Division, with its functions curtailed, is cast in a noncrusading role indicative of new realistic viewpoints.

Buried in some OPA desk is a survey showing that 25% of the citizens surveyed in Indianapolis didn't know what the General Maximum Price Regulation was.

Very much alive in the mind of every OPA official is the feeling that if the chains and the top-crust retailers didn't post ceiling prices and stick to them, there'd be next to no control over the smaller fellows (who understand A.&P. or Macy competition, but not Henderson's economics).

● **Not Crusading**—Theoretically, these fragments should give the traditionally consumer-minded OPA just the right chance to launch a crusade in favor of the housewife, and against the mercantile vagaries of war. Yet last week OPA gave its brand new Consumer Division (BW—Aug. 8 '42, p. 36) a drastic haircut, meantime allotting the Standards Division to Deputy Administrator Dexter M. Keezer.

The significance of the Keezer appointment is that he will operate with much more caution than has been customary with the Standards Division in the past, assuredly will refrain from crusading in the reformist sense.

● **Overlapping**—Partly these moves were dictated by the fact that as OPA's functions grew, overlap grew, too, until finally there came a time when internal contests for power and external pressure against oversized operations demanded some trimming. Thus the new Consumer Division was deemed to have an overlap with OPA's information division.

And when it came to the question of which should be cut—information section or Consumer Division—the query more or less settled itself because Robert Horton, information chief, occupies a higher chair than Robert Sessions, consumer chief.

● **Ahead of the Parade**—Furthermore, both the Consumer Division (as initially tuned up by Harriet Elliott) and the Standards Division (then headed by Dr. Robert A. Brady) were miles ahead of the war parade, tooted their marching song too loudly, eventually got such a stoning from business men that Leon Henderson called a halt. Subsequently the effects of such timing haven't completely worn off, although the Consumer Division, as lately constituted, included

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many an executive from the ranks of business itself.

And, because this is a civilian war as much as an army war, Washington more and more is subscribing to the viewpoint that everybody is in the same boat, and that this isn't any time to be drawing special distinctions.

• **A Definite Casualty**—Thus the consumer—as a special entity—is now considered a definite casualty. While the so-called professional consumer groups may have made a few touchdowns, they are now being pushed under the grandstand.

On the other hand, the appointment of Keezer is no omen that standards will go into limbo. Rather, it means that OPA is preparing the ground—quietly—for the day when prewar inventories run out. Substitutes may then be subject to standards, labels identifying contents, or some other form of control.

• **Private Impetus**—As everybody knows, this trend is being hastened in numerous instances by private attempts to alleviate "squeezes." Not uncommon is the practice of switching a low-priced item into a higher-price bracket, cutting down on workmanship, or ceasing the manufacture of low-priced, low-margin merchandise entirely.

Familiarly labeled "hidden inflation" (BW—Jun. 27 '42, p17), such practices are one of OPA's biggest future bothers. Partial use of standards and labels are deemed the only solution.

• **As OPA Sees It**—But OPA's latest viewpoints are broad, elastic, perhaps much more realistic than before. They may be summed up thus:

(1) Quality competition, in an overall sense, is on the wane because merchandise is growing scarcer.

(2) The General Maximum Price Regulation has indicated that it is possible to exercise a broad control over prices.

(3) Similarly, a broad control can be exercised over "hidden inflation."

This implies that there won't be any attempt to regulate every nook and cranny. It does mean the gradual adoption of labels in some fields (clothes, perhaps) and the manufacture of "utility models" in others.

• **Division's Future**—As for the Consumer Division, its objectives apparently won't change much—that is, it will inform consumers of the whys and wherefores of price control and rationing—but the scale of the program will be cut down. The Commercial Relations Branch is now slated for complete extinction. The Educational Branch and the Program Activities Branch will be telescoped into the information section.

So will the Consumer Requirements Branch, but sans the services of Rolf Nugent (BW—Jul. 18 '42, p67) who is leaving to perfect his "Nugent Plan." Other personnel shifts are still in the mill, but resignations throughout the top stratum appear to be a foregone conclusion.

Color Clash

Varying hues of opinion are in evidence at hearings on rules for colorfastness. Early action by FTC is expected.

All the opposition expected, and more, developed at the final hearings on the Federal Trade Commission's proposed trade practice rules for colorfastness of textiles (BW—Sep. 5 '42, p70) last week. Hearings, in New York City's Hotel Pennsylvania, took up two full days and spilled over into an informal evening session.

• **In FTC's Lap**—It is now up to FTC to decide the form in which the rules are finally promulgated. Textile industry executives and leaders of retail and other interested trades asked for postponement until after the war, arguing that enforcement would be virtually impossible in the face of wartime scarcities of dyes and testing equipment. Such postponement seems unlikely.

Opinion is that, while the commission may modify the regulations considerably, it will respond to the demands of WPB, OPA, and assorted nongovernmental consumer groups for colorfastness standards to protect consumers against wartime deterioration in quality.

• **Tentative Terminology**—The American Standards Assn. asked FTC to give it until Oct. 15 to develop a substitute set of standards. Meanwhile, A.S.A. presented a tentative colorfastness terminology worked out by its Committee L14, which includes representatives of such interests as the National Retail Dry Goods Assn., the American Institute of Laundering, and the National Assn. of Cleaners and Dyers.

These groups joined with the textile trade in turning thumbs down on FTC's rules in their present form. But the two consumer organizations represented on L14—the American Assn. of University Women and the American Home Economics Assn.—did not go along with the rest of the committee in requesting modification.

• **Support for Labeling**—Notably, the A.H.E.A. came out strongly for FTC's system of A, B, C, D grade labeling for colorfastness.

Taking a crack at requests that promulgation of the rules be postponed, Dr. Pauline Beery Mack of A.H.E.A. declared, "For one-fifth of a century I have struggled with consumer groups for standards for textile merchandise without finding a time when the textile producing industries felt that the time was ripe for such action. Peace or war, prosperity or depression—none of these times are proper for the promulgation of standards, according to the trade."

• **Modification Suggested**—Another consumer organization, Consumers Union, went on record as favoring grade labeling for colorfastness, but suggested that the flat A, B, C, D be modified by descriptive terminology which might take some of the curse off the lower grade materials.

Biggest objection to the proposed rules has been that all fabrics are required to meet the same colorfastness standards regardless of the use for which they are intended. To be labeled Grade A colorfast to washing, a woman's rayon underslip would have to undergo boiling at 180 degrees with alkaline soaps—a test which opponents of the rules say should be required only for such articles as sheets and men's shirts. To be labeled Grade A colorfast to sunlight, it would have to pass fadometer tests considered necessary only for awnings.

• **C.U.'s Proposal**—Consumers Union's idea would be to go ahead and label the slip Grade C (rating it would probably receive), but to explain in a footnote that Grade C generally is considered satisfactory for this type of garment if it is handled with reasonable care.

Proposal of the majority of A.S.A.'s committee is to junk grade labeling entirely, substitute a system of informative labeling which would describe briefly the test to which the fabric had been subjected, explain what service can be expected of it. Such organizations as the National Assn. of Finishers of Textile Fabrics proposed independently regulations similar to those backed by A.S.A.'s committee.

Mail Houses Hit

Lack of hard lines shows in August volume loss by Ward and Sears, though both outdoor sales of same month in 1940.

Sales figures for the two biggest mail-and-chain distributing organizations show August volume off sharply from a year ago. Montgomery Ward & Co. dropped 15.68%, while Sears, Roebuck & Co. took a whopping volume loss of 26.2%. Thereby the two firms registered not a lack of popular demand for their merchandise, but rather their lack of big-ticket hard lines that are now banned or curtailed by wartime restrictions on manufacture and sale. It is a fair guess that before their figures get better, they will get worse.

• **Last Year's Jump**—Both firms began feeling a huge impetus in volume from the consumers' buying jag that was touched off when the U. S. ended Japanese silk importations in August, 1941. Consequence was a tremendous leap in volume at that time. Ward sales in that month jumped 35.4% over August,

MODERN DESIGN

—index to Quincy's greater over-all efficiency

Construction is simpler. Radiation area is increased 12%. Lubrication is more thorough—more positive. Quincy builds air compressors exclusively. This policy of specialization has helped to make the name "Quincy" a symbol for efficient and dependable air supply. Today 89 leading manufacturers equip their own products with Quincy Compressors. If you have compressed air problems in connection with war work, let Quincy help you solve them.



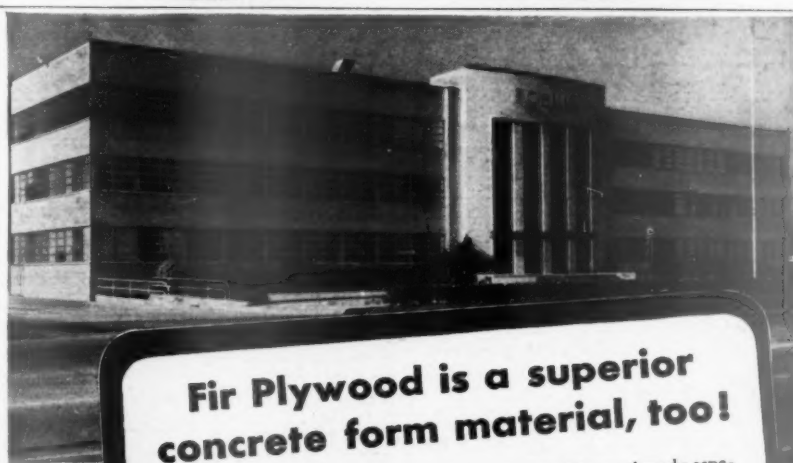
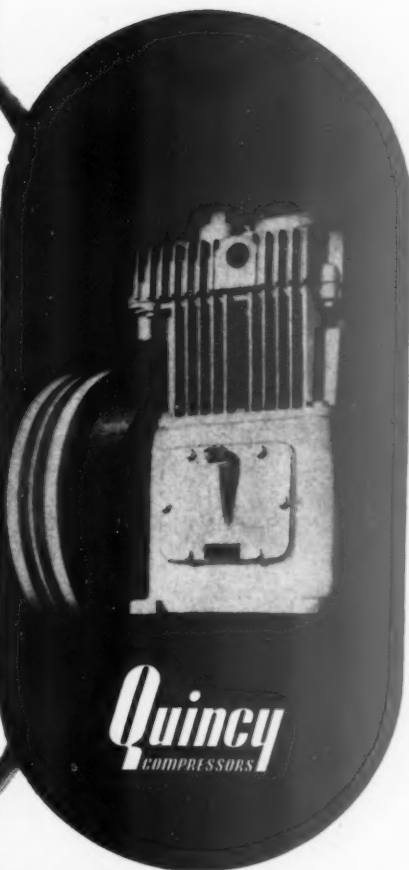
New

AIR COMPRESSOR SELECTOR

One simple setting gives: free air delivery, r.p.m., piston displacement and h.p. motor required.

Sent FREE upon request

QUINCY COMPRESSOR CO., DEPT. 792, QUINCY, ILLINOIS



Fir Plywood is a superior concrete form material, too!

• Here's why Plyform, the grade of Douglas Fir Plywood made especially for concrete form work, is specified so often when war production programs call for concrete construction: Concrete formed against Plyform is smooth, dense, evenly textured. Finishing labor is minimized. Each big panel gives 100% coverage, serves as both sheathing and lining. Forms take less carpentry and bracing, strip easily. When handled with reasonable care, Plyform gives numerous re-uses.

Our concrete form booklet gives full details. Write now for your free copy. Douglas Fir Plywood Assn., 1629 Tacoma Building, Tacoma, Washington.

Stronger
Per Pound
Than Steel

**DOUGLAS FIR
PLYWOOD**

Real Lumber
**MADE LARGER, LIGHTER
SPLIT-PROOF
STRONGER**

Forming concrete is just one of Douglas Fir Plywood's many war jobs. It is also speeding production in scores of industries... is helping in plant expansion and in providing quick shelter for workers. Perhaps, after Victory, it may be able to serve you, too!

1940, while Sears sales soared 49.7%. Calculating August, 1942, sales against August, 1940, shows that Ward did this year 114% of two years ago, Sears 110%. The marvel is, therefore, that with lack of hard lines tugging totals downward, the two big mass merchandisers were able to make so excellent a showing this year.

• **Sales Shrinkage**—Sales volume of the two houses continued upward with heavy consumer buying through last March. In April each of them held within a fraction of 1% of the same month in 1941. Then both hit the skids, with percentages of sales shrinkage, 1942 from 1941, as follows:

	Ward	Sears
May	16.12	19.4
June	8.31	12.1
July	11.97	15.5
August	15.68	26.2

Reason for the consistently larger shrinkage shown by Sears is common knowledge in and out of the trade. Sears did close to 60% of its prewar total sales volume in the hard lines such as refrigerators, stoves, and furnaces, material for which is now proscribed for civilian manufacture and prioritized for war production. Ward held approximately 40% in hard lines. Thus, the normal expectancy of Sears' volume loss to Ward's would be approximately in the ratio of 3 to 2. Actual performance of their sales curves ever since last spring has been within a hair's breadth of this expectancy.

DISTRIBUTION SCANNED

Effects of the wartime pinch on materials, transportation, and personnel, in relation to the problem of maintaining the distribution system on a peacetime level of operating efficiency, will next month receive their first large-scale examination since the Japs slunk up on Pearl Harbor.

The occasion is the 14th annual Boston Conference on Distribution, geared for the first time since its creation to the tempo of war. Retailers who gather at the Statler Oct. 5 and 6 will hear the transportation problems explored by Joseph B. Eastman, director of the Office of Defense Transportation; British industry's experience in the war discussed by Harold Butler, Britain's minister to the U. S., and a first-hand appraisal of distribution's part in winning the war by Sir Louis Beale, of the British Supply Council in North America.

A feature of the conference is to be a symposium of a dozen or more business editors who will examine the prospectus of a wide range of industries from retail stores and jewelry to advertising. David C. Prince, vice-president of General Electric, will look into the future and analyze needed adjustments of the postwar period.

LABOR

Drift to Draft

Nash-Kelvinator finds way to protect essential labor against indiscriminate induction impairing war production.

To correct draft problems before they become problems—that is the objective of a plan which Nash-Kelvinator Corp. has put in operation to cope with the drift of essential workers into the Army inspired by hints from Washington that occupational deferments soon may end (BW—Sep. 12'42, p44).

• **Production Loss Seen**—Plant executives are concerned over the outlook. They believe that unless circumstances change, their working forces will be depleted of men they can ill afford to lose, even to impairment of war goods schedules.

To meet this situation, Nash-Kelvinator has intensified the work of a new department established last spring to handle selective service problems. This department is busiest at Lansing, Mich., branches, where draft problems are most acute, and it is being expanded to other

divisions as they swing more heavily into war work.

• **How It Works**—All workers in the plants are catalogued by draft status. Intelligent analysis is made of those cases which make deferment appear logical. When it is decided to seek a deferment, the appeal to the local board is thoroughly prepared and presented.

Coincident with the recording of draft status, the corporation's government contact division has surveyed all plant operations, so that the relationship of the men to the work being done is readily at hand.

• **Report Required**—Signs throughout the plants urge employees to notify personnel offices of any draft-status changes. Thus, when a local board notifies John Smith, cutter grinder, that he is to be reclassified 1-A unless he can show cause why he should not be, John Smith is expected to report that fact for an examination into the circumstances.

There are three basic determinants for deferment: First, is the activity of the plant critical; Second, is the occupation of the subject worker critical? If the answers to both are "yes," the third point must be considered: Is the man personally necessary in his occupation?

• **Three Little Words**—If the answer



TOOLING BY TERNSTEDT

To get started on time with a big gun job, Fisher Body's Ternstedt Division built its own boring machines. Not only that, it worked out new fixtures enabling two or more of the tools to work on a part at once. The man on

the left is tending a boring job while the man on the right operates a facing head. Both men are working on identical machines. As a result, according to E. F. Fisher, general manager, handling between operations has been eliminated, costs have been lowered, and production speeded.

once more is "yes," the groundwork has been laid for a deferment request.

These appeals are made to local boards on Occupational Deferment form 42A. There was a time when the filing of these forms meant almost automatic deferment. This is no longer the case. The fairly general statements on 42A must be bulwarked with more substantial evidence if the factory expects to keep its men.

An insert has been devised by Nash-Kelvinator to carry the additional information deemed necessary to establish the merit of the case. This insert goes into minute detail to establish that the foregoing factors required for deferment are at hand.

• **Priorities Listed**—To establish the position of the plant in the war program, the corporation outlines contracts held and products built, together with their priority ratings.

To establish the significance of the man and his occupation, his work is detailed. John Smith, cutter grinder, may be the subject of a 400-word paragraph, describing not only what he does, but also telling how many units he produces in how much time, how large his department is, how difficult the finding of a capable replacement would be, his pay rate, and what his experience and education have been.

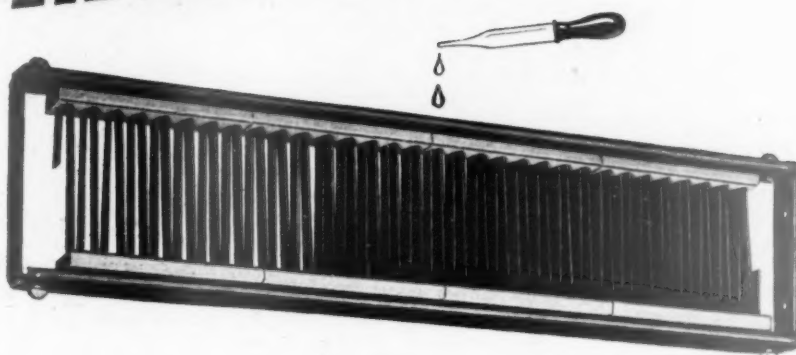
• **May Go To Washington**—Obviously, this type of inquiry washes out many cases which might otherwise be subjects of deferment proceedings. The corporation has no desire to seek deferments unless they can be justified, and so if the evidence assembled does not create a tenable brief, the deferment request is dropped, and the employee shortly exchanges his mufti for khaki.

But once the appeal has been made, Nash-Kelvinator believes in carrying it through. Local boards usually have recognized the merit of such briefs. In some cases, requests have been turned down, and appeal has been made to the state board. The state advisor for occupational deferments is a court of higher authority if the state board rejects the case, and he may be asked to carry the argument for an employee's deferment to Washington.

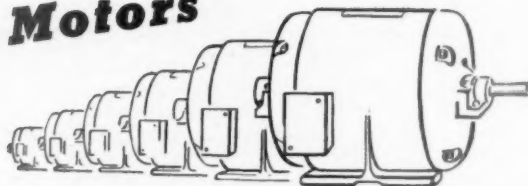
• **Subject to Review**—Development of the deferment data lies with a plant committee, consisting of the factory superintendent as chairman, the employment manager, an office representative, a representative from the Detroit office of the government contact division of the corporation, and the chief inspector of the plant effected. Their findings are subject to review by the general manager of the division.

Nash-Kelvinator was moved into this program by the stress of war conditions. The work at Lansing constituted a new operation for the company. Men were hired from lists of Lansing employables, and therefore often had only short job

EYE-DROPPER FEEDING



for Big Motors



Tough Problem + Stainless Steel = Product Improvement

To prevent motors from being damaged by the shock of starting under heavy loads... and to avoid sudden drains on power supplies... *Stainless Steel* resistor units like this feed out the small doses of electric current that start big motors. It's a job that *must* be done right every time!

Where cranes, compressors and heavy production machines are at work, this *Stainless Steel Strip*, with electrical characteristics practically unaffected by temperature, keeps the flow of current uniform—every time a big motor starts. Then too, this use of Carpenter *Stainless* helps to conserve scarce alloys

like nickel and chromium. And its easy-forming qualities reduce the cost of the finished product.

Today, our job is to help fabricators get more war production from every pound of *Stainless Steel*. It is also our job to help you plan the use of *Stainless* for your peacetime products that will have to win highly competitive sales battles.

We are making available engineering and production data accumulated through years of research and experience. If you could use this kind of printed help, drop us a line. Consider Carpenter your General Headquarters for helpful information.

THE CARPENTER STEEL COMPANY, READING, PA.

Carpenter

STAINLESS STEELS

...for

- Strength
- Rigidity
- Heat Resistance
- Corrosion Resistance
- Longer Product Life
- Sales Appeal

BRANCHES AT Chicago, Cleveland, Detroit, Hartford, St. Louis, Indianapolis, New York, Philadelphia

tenures when their local draft boards sent them notices that they had been reclassified.

• **Boards Rationalized**—It proved difficult to establish to the draft board that even though some men may have been working for the company only three or four months, they were critical employees. Draft boards often held that if these men could be trained for specific jobs in that length of time, others could be hired and equally well trained in the same period.

"That," Nash-Kelvinator officials declare, "is not good reasoning. If such a cycle were allowed to develop, we'd always be a 'new' plant. A man with us since the beginning is actually as old as the operation, and has value far beyond that of someone attached for the same length of time to an older plant. In one sense—that he might have worked on some war item from the time that we

started producing it—he could well be considered a key man."

• **Plan May Grow**—If any problem attaches to the working of this program, it grows out of what must be regarded as innate personal patriotism among the workers.

Some of them are reluctant to report changes of draft status to the company, saying, after the draft committee has learned of their reclassification as eligible fighting material, that they did not want the company or their fellows to think that they were asking for special preference.

The Nash-Kelvinator plan may grow. Michigan selective service headquarters, particularly the occupational deferment section, is interested in it and has cited the idea to other companies. The fundamentals of the idea have progressed to Washington, where officials are studying it.

CLUB FOR STRIKERS?

Selective Service Director General Hershey's order on reclassifying deferred men, issued this week, has not yet been interpreted. He laid down this rule:

"Whenever the director of Selective Service advises a local board that a deferred registrant is not supporting or is adversely affecting the war effort or the national health, safety, or interest, the local board shall immediately terminate the deferment and consider anew the classification of such registrant or registrants."

It was evident that the directive gave no new powers of discretion to local boards, inasmuch as it makes clear that they are not to initiate such reclassification without instruction from Hershey's office. Yet most observers saw in the new policy a hint of drastic treatment for strikers, and individual workers who might refuse to move into essential jobs given by the United States Employment Service.

GREEN HALTS STRIKE

A four-day strike which virtually halted production at the big East Alton (Ill.) plant of the Western Cartridge Co. ended this week as the result of a "go back to work" order issued by William Green, president of the American Federation of Labor.

The strike, called by an A.F.L. local union allegedly to protest the discharge of its president who worked in the smokeless powder department, got national attention when William H. Davis, chairman of the National War Labor Board, sent "each worker" of the plant a telegram reminding that the stoppage imperiled the lives of American soldiers. The telegrams did not stop the strike.

Green was able to end the walk-out because the local union is a so-called "federal local" directly affiliated with the A.F.L. It does not belong to a "national" or "international" body. Its officials are directly responsible to Green and are paid by the A.F.L. If the East Alton organization belonged to some parent union like the Machinists or the Teamsters, it could—as many locals have done in the past—ignore Green's commands with impunity.

The dispute now goes to NWLB.

DOUBLE-TIME GRUMBLES

The President's Executive Order, prohibiting double-time pay for Saturday, Sunday, or holiday work, has tended to unsettle Detroit labor relations. Ford, Chrysler, Hudson, and tool-and-die shop employees had been getting premium pay until the President's order. They don't like the extra-pay ban and much strong talk at local union meetings is taken to mean that there may be new labor troubles in the Motor City.

This announcement is not an offer of securities for sale or a solicitation of an offer to buy securities.

New Issues

September 15, 1942

Southwestern Public Service Company

\$20,000,000 First Mortgage and Collateral Trust Bonds, 4% Series due 1972
Due May 1, 1972

\$6,000,000 Serial Notes, 2½% and 3%

Due \$500,000 each December 1 from 1943 to 1953, inclusive, and \$500,000 on June 1, 1954

60,000 Shares 6½% Cumulative Preferred Stock

Par value \$100 per share

185,000 Shares Common Stock*

Par value \$1 per share

*Warrants to subscribe for such shares have been issued to common stockholders of Community Power and Light Company and common stockholders of General Public Utilities, Inc.

Prices:

107½% for First Mortgage and Collateral Trust Bonds, 4% Series due 1972

\$100 per share for 6½% Cumulative Preferred Stock

\$5 per share for Common Stock

As shown below for Serial Notes

Due	Interest rate	Price	Due	Interest rate	Price
1943	2½%	101.23%	1949	3%	101.30%
1944	2½	101.65	1950	3	100.00
1945	2½	101.56	1951	3	99.20
1946	2½	101.21	1952	3	98.26
1947	2½	100.49	1953	3	97.66
1948	3	102.29	1954	3	97.09

Plus accrued interest on the Bonds and Serial Notes and dividends on the Preferred Stock to the date of delivery.

Copies of the prospectus may be obtained from such of the undersigned (who are among the underwriters named in the prospectus) as may legally offer these securities under applicable securities laws.

Dillon, Read & Co.

E. H. Rollins & Sons
Incorporated

Blyth & Co., Inc.

Harriman Ripley & Co.
Incorporated

Smith, Barney & Co.

Kidder, Peabody & Co. Stone & Webster and Blodget
Incorporated

Union Securities Corporation White, Weld & Co.

Bodell & Co., Inc.

Rauscher, Pierce & Co., Inc.

The Milwaukee Company

Whitaker & Company

A. C. Allyn and Company
Incorporated

Spencer Trask & Co.

Eastman, Dillon & Co.

Paine, Webber, Jackson & Curtis

FINANCE

Proxy Troubles

SEC proposes new rules that management feels invite minority troublemaking under guise of "full revelation."

Corporation executives would feel better about new proxy rules proposed by the Securities and Exchange Commission if they hadn't read Chairman Ganson Purcell's remarks on the subject. The new regulations might sometimes make things embarrassing for company managements, but, by themselves, they aren't alarming. What worries executives is the idea that SEC's attitude may start minority stockholders on the war-path.

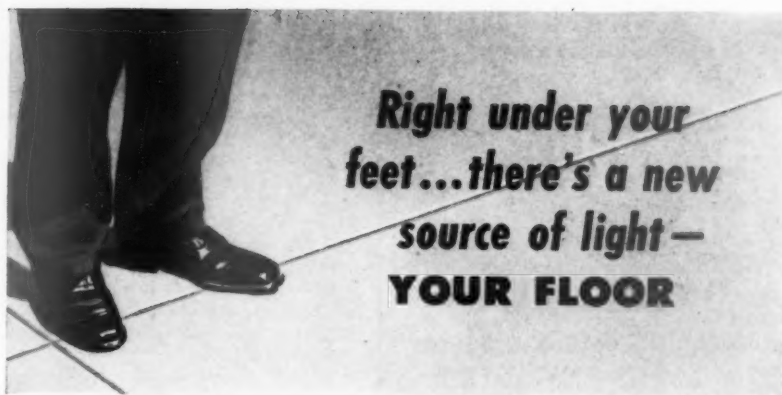
• **Help for Troublemakers**—Purcell did nothing to soothe this fear when he talked about "exerting control over corporate mismanagement and over practices which result in defrauding the government and the people." No company argues against the idea of clamping down on managements that abuse their position, but most of them think SEC's plan is the wrong way to do it. Stirring up stockholders, they say, won't stop mismanagement. It will just furnish ammunition for the professional troublemakers.

First draft of SEC's new regulations for soliciting proxies covers three main points, all designed to tighten up present requirements. Under the Securities and Exchange Act, anyone soliciting proxies must comply with the commission's regulations. This means that final decisions of SEC will be binding on all listed companies.

• **Report on Salaries**—Biggest revision applies to rules covering disclosure of management compensation and conduct. Under present regulations, a proxy solicitation must tell the compensation of a director only if he is up for election and if he is one of the three highest paid men in the company. The new rule would require a list of salaries paid to all officers and directors, as well as a tabulation of all salaries over \$25,000 a year.

Besides this, proxy material would have to include a financial statement comparing the last fiscal year with the preceding one, a summary of activities during the year, and a full report on dealings between the corporation and its directors or their associates.

• **Minority Directors**—Stockholders would get additional rights under the new rules. Instead of just listing proposals submitted for vote, the management would have to print a 100-word



WAR PRODUCTION SPEEDED BY GIANT NEW LIGHT REFLECTOR

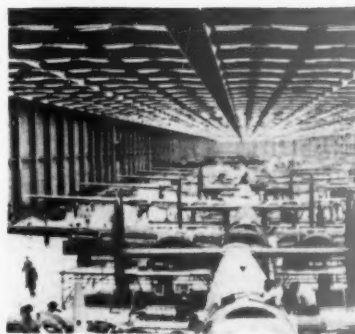
Floor that reflects light increases efficiency and reduces accidents

LIGHT-REFLECTING FLOORS, made with Atlas White Cement, are acting today as giant reflectors and diffusers of light in essential war plants. They chase shadows from production and assembly lines. They reflect much more light to the under side and vertical faces of work. They help employees operate with greater speed and safety...avoid errors and spoilage of materials. They sharpen the vision of workers who have defective sight...of older men and of new workers who are working at a machine for the first time.

White cement floors in aircraft plants for Boeing, Consolidated, Douglas and North American are showing their superiority over darker floors. Look into them, either for new buildings or as re-topping for old floors. In installations already made they have repaid their initial cost quickly. They can be cleaned and kept white simply and economically.

In factories, food plants, warehouses, hangars, hospitals, offices, apartments—in corridors, basements, stairwells—wherever increased production, material conservation, extra lighting, sanitation and safety are important, it will pay to get **LIGHT FROM FLOORS**.

Write for a new book, "LIGHT



White cement floors on which Consolidated Aircraft Corporation is assembling B-24 bombers. The white cement surface throws 61% more light to the under side of bomber wings and fuselages, and 20% more light on vertical surfaces than does grey cement surface in adjacent areas in same plant. Designed and built by The Austin Company.

FROM FLOORS." It tells about the advantages of better illumination and gives detailed information on the construction, maintenance and value of light-reflecting floors made with Atlas White cement. Universal Atlas Cement Company (United States Steel Corporation subsidiary), Chrysler Building, New York City.

OFFICES: New York, Chicago, Philadelphia, Boston, Albany, Pittsburgh, Cleveland, Minneapolis, Duluth, St. Louis, Kansas City, Des Moines, Birmingham, Waco.

IF YOUR FLOORS ARE WHITE, YOUR PLANT GETS MORE LIGHT

LIGHT-REFLECTING FLOORS
MADE WITH ATLAS WHITE CEMENT



**A Merrill Lynch
Custodian Account
Offers You**

**Safety • Analysis
Availability
AT NO COST**

Any bank or safe deposit company provides *safety* for your securities at a moderate fee. Any brokerage house can provide *availability*. Investment counsel can supply *analysis*. But Merrill Lynch, Pierce, Fenner & Beane offers *all three factors*—*at no cost*. Specifically, this is what a Merrill Lynch Custodian Account provides:

1. Safekeeping in private vaults, where a client's securities are segregated in a special envelope, and handled only by bonded employees.
2. Supervision of all routine, such as collection of dividends (which are remitted or credited as the customer wishes), transfer of certificates, exercise of rights, notification of developments affecting the particular securities, and execution of all the other details inherent in an investment portfolio.
3. Control of securities remains with the customer at all times, and they are subject only to his instructions. When such instructions are issued, they can be carried out with money-saving speed.
4. About three times a year, the Merrill Lynch Research Dept. reviews Custodian Account portfolios, and submits a report in the light of current conditions. The client is, of course, free to act on or ignore this report. Very often no changes are suggested.

Why "No Charge"?

—a fair question with a simple answer. Merrill Lynch has found that customers whose securities are in a Custodian Account, where they are readily available, are much more likely to keep their portfolios adjusted to changing conditions. Such changes naturally result in regular brokerage commissions to Merrill Lynch. The only qualifications for the free Custodian Service are: market value of securities must be at least \$10,000; no debit balance can be maintained.

**SEND for this
Free Booklet**

It discusses Custodian Accounts in detail, and answers all the questions you will wish to ask. Please address Dept. B. Your request will receive prompt executive attention.

**Merrill Lynch,
Pierce, Fenner & Beane**

Underwriters and Distributors
of Investment Securities
Brokers in Securities and Commodities
70 Pine Street New York
Branch Offices in 88 Cities

THE MARKETS

Wall Street usually keeps a wary eye on the government bond market when quarterly income tax payments fall due. This week there was no reason for wariness. Instead dealers watched appreciatively while the Treasury and the Federal Reserve Board put their performing money market through its routine. Things even went so smoothly that the Treasury indulged in the swank of adding an extra \$100,000,000 to its weekly bill offering.

• **Market Groomed**—An exhibition of large-scale monetary control, this week's performance comes close to an all time record. In spite of the income tax, the market took \$400,000,000 worth of bills without a whimper. At the same time, it handled payments for the \$3,000,000,000 issues of notes and certificates which Secretary Morgenthau opened up the week before. This by itself was the largest single government operation since the Liberty Loans.

The Treasury prepared carefully for this dashing lion-tamer act, and it counted heavily on the power of the Federal Reserve Board. Over the weekend, the Board announced another cut in reserve requirements (BW—Aug. 22 '42, p. 5) for New York and Chicago banks. Required ratios dropped from 24% to 22%, adding \$335,000,000 to excess reserves in New York and \$65,000,000 in Chicago.

• **Drain Had Been Heavy**—Without extra reserves, metropolitan banks might have had an awkward time this week. Heavy government withdrawals had siphoned off almost all of the \$400,000,000 they got from the last cut in requirements. Just before the board's action, excess reserves in New York slid below the \$200,000,000 mark.

Taking no chances, the Treasury also

arranged to pay cash for a maturing issue of \$342,000,000 instead of refunding. Since the usual \$300,000,000 worth of bills fell due this week, the government actually paid out \$642,000,000 and borrowed back only \$400,000,000.

• **Two Tax Issues**—Announcement of two new series of tax anticipation notes had no effect on the week's financing, but it shows that the treasury intends to work every source of credit to the limit. The new A-1945 carries the same interest rate (1.92%) as A-1944, which it replaces, but taxpayers may use \$5,000 worth a year instead of only \$1,200. The Treasury hopes this will bring a big boost in sale of tax notes to individuals.

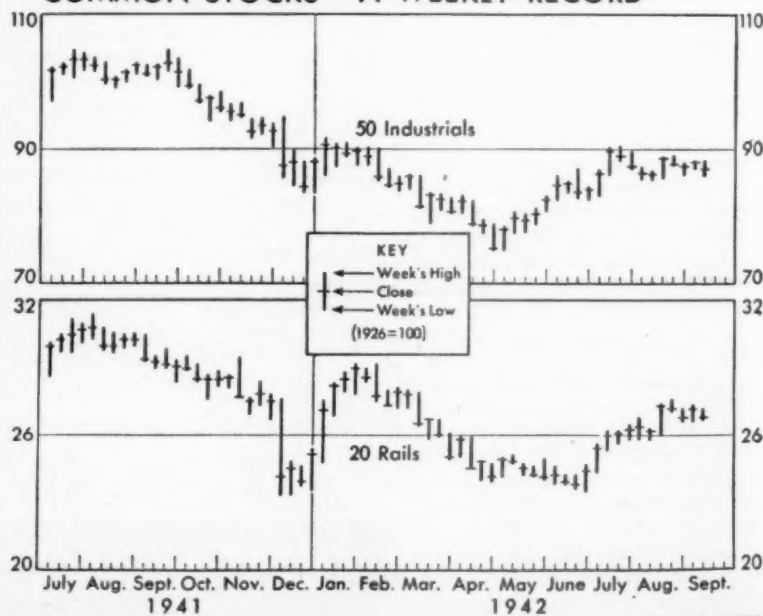
The New C-1945 is intended to serve either as an investment or as a tax anticipation reserve. Its yield rate increases with the length of time it is held, but owners can redeem it any time after six months. Yielding 0.6% at six months, this series will replace the old B-1944 which paid only 0.48%. The B issue was popular when it first came out, but stiffening rates in the short-term market have just about cut the ground from under it.

Security Price Averages

	This Week	Week Ago	Month Ago	Year Ago
Stocks				
Industrial ...	87.1	88.2	88.7	102.3
Railroad	26.8	27.2	27.3	29.3
Utility	30.5	29.9	30.1	44.5
Bonds				
Industrial ...	109.9	109.6	108.7	105.1
Railroad	86.2	86.0	85.9	84.2
Utility	105.8	105.1	104.0	107.3
U. S. Govt. ...	110.2	110.3	110.5	111.2

Data: Standard & Poor's Corp. except for government bonds which are from the Federal Reserve Bank of New York.

COMMON STOCKS—A WEEKLY RECORD



Data: Standard & Poor's Corp.

© BUSINESS WEEK

HAMMER'S MODERN SUCCESSOR



The HANSCO TACKER

PUT your tack-driving on a modern, accident-proof, waste-proof basis. Use the HANSCO T-1 One-Hand Tacker. First device of its kind to drive tacks! Drives into hard wood, thru thin metal or tin. Does a wide variety of tacking and fastening jobs—wherever glues or tacks are used. Drives Hansen T-head Tacks in four lengths, 3/16" to 3/4". Holds strip of 100 T-head Tacks. Drives 4 in 10 sec. as fast as you grip. Investigate!

AL HANSEN MFG. CO. 535 BAYVIEW AVE. CHICAGO, ILL.

Be 100% with your



Buy **WAR BONDS**

LOEW'S INCORPORATED
"THEATRES EVERYWHERE"

September 4th, 1942

THE Board of Directors on September 2nd, 1942 declared a dividend at the rate of 50c. per share on the outstanding Common Stock of this Company, payable on September 30th, 1942 to stockholders of record at the close of business on September 18th, 1942. Checks will be mailed.

DAVID BERNSTEIN,
Vice President & Treasurer

Turning the "Searchlight" on "Opportunities"



positions wanted

• **NEED A MAN** to put your plans to work? Eleven years experience organization and sales management with present employer's associate companies. Thirty-four, married, two young children. Desired salary \$5600. Box 308.

• **SPECIAL ENGINEER**—56—technical asst. to executives, consultant to Designers and operators. Steel and electrical companies design experience. Electrolytic, heating, welding, processes. Box 306.

wanted—pattern work

• **OLDEST ESTABLISHED** pattern and machine works on Long Island can take on additional wood and metal pattern work. Eppenbach, Inc., 4510 Vernon Blvd., Long Island City, N. Y.

"clues" information

"clues" appears weekly. Copy required Monday for Saturday's issue. Rate: 50 cents per word or \$2.50 per line (or fraction) per insertion, payable in advance. Minimum charge \$5.00. Discount 10% on orders for insertion in consecutive issues. Publication box number address and date as 2 words; replies forwarded without charge. Address replies c/o Business Week, 330 W. 42nd St., New York, N. Y. Copy October 5 for October 10 "clues".

"As a result of a single ad in Business Week 'clues' we received two excellent responses. One, which resulted in a contract."

explanation written by the sponsor. If minority stockholders nominated a candidate for director, the proxy ballot would have to include his name.

SEC also intends to torpedo the ancient practice of wording a proposal so that failure to mark a preference gives management authority to vote the proxy as it pleases. To do this, the commission wants to make a straight ballot form compulsory. Moreover, it suggests a rule requiring every proxy to contain a blank space of at least three inches square in which the stockholder could write any comments or limitations he wished. Corporation lawyers squirm at the thought of what a layman could do with three square inches of white space.

• **"Prostituted" System**—Object of all this is to increase the stockholder's voice in corporate affairs. According to Chairman Purcell, the "sadly prostituted" proxy system is one of the main tricks a shady management uses to do a job on its equity holders. Present regulations make deceit tougher than it used to be, but Purcell cites recent congressional investigations to prove that it is still not hard enough.

SEC hopes that under the new rules stockholders would detect and stop any attempts to milk a company through excessive salaries or insider deals involving company assets.

• **What of Management?**—Corporation executives differ in their appraisals of the proposed rules. Most of them agree that SEC is daydreaming if it thinks it can make a modern company run according to the principles of Athenian democracy. From their viewpoint, either management runs a corporation or pretty soon the bondholders take it over.

Some companies think the revision will make no difference to them. They complain about the way SEC brought the subject up. One corporation lawyer declared testily, "They talk as though they'd caught us in a vice raid, and when you get down to it what do they want? They just want us to fill out some more of their everlasting forms."

• **Possibility of Suits**—Others are more worried. Almost every company has a few minority stockholders who are out to get the management. Some executives think that with SEC encouragement the opposition will have a field day. If this brings nothing more than a few unpleasant words at the annual meeting, management won't be upset, but there's always a chance that disgruntled minorities will take the fight into court.

Companies are also unhappy about the prospect of listing details of officers' salaries. With dividend cuts in prospect for many corporations, stockholders will be irritable enough without being reminded of what their executives get.

• **Public Relations Problem**—In spite of their objections, even managements which hold a clear majority will probably keep on soliciting proxies. When

WARTIME LOANS

WAR PRODUCTION LOANS
are of first importance now.

Under Regulation V of the Federal Reserve Board, bank loans are being made large enough to do the job.

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SEC brought out its first set of regulations several years ago, many closely held corporations considered cutting out proxy solicitation. Almost all of them decided to keep it because of the public relations angle.

Yet a closely held company—one that can get a quorum for a meeting by word of mouth—would have to consider expense. The new forms would be larger than any ever before used. The mere cost of paper, printing, and mailing would be multiplied several times to meet the proposed SEC rules.

"V" Loans Soar

Credits, guaranteed by government but largely drawn from commercial banks, assume big role in war financing.

With General Motors negotiating for a \$1,000,000,000 line of credit, bankers are making a quick revision in their opinions of government guaranteed loans. When plans for these Regulation V loans got under way last spring (BW—Apr. 18'42, p77), they were intended primarily to help small contractors who couldn't raise enough money on their own credit. Now the guaranteed loan has begun to operate on a scale that banks have never seen before.

● **Banks Loan on U. S. Guarantee**—About 250 private banks will participate in the G. M. line of credit. They will make the actual advances as the company calls for funds, but the government will assume most of the risk.

Although the G. M. deal is by far the biggest, several other impressive loans have been concluded in the last few weeks. The RCA Manufacturing Co. arranged to borrow \$60,000,000 from a syndicate of 35 banks. The Emerson Electric Co. opened a line of credit for \$30,000,000. The New York Reserve Bank, acting as the government's fiscal agent, underwrote both of these.

● **Search for Better Terms**—Banks also expect that Chrysler Corp. will arrange a guaranteed loan to replace the \$100,000,000 line of credit it negotiated early this year. Chrysler completed its arrangements before the new type of loan became available. By putting its credit on a guaranteed basis, it could probably get slightly better terms.

Until the recent flurry of activity, bankers had been disappointed in Regulation V loans. In its first five months of operation, the system accounted for only \$450,000,000 worth of credit. From now on, however, the guaranteed loan will rate as strictly big business. Bankers hope that eventually most corporations will depend on it for working capital instead of asking for advances on their government contracts.

THE TRADING POST

Pattern for Leadership

I have just been rereading the Baruch Committee's report on rubber.

In several respects it is a remarkable document. In the first place, it is so definite and positive. Moreover, it is perfectly clear. Any American who can read English will understand exactly what the committee intends to say. Yet it is so comprehensive as to suggest that no important phase of the subject has been neglected.

But these admirable qualities are not the chief distinction of this report. That, it seems to me, arises from the fact that it is just about the first official utterance on the conduct of the war that considers nothing else but the winning of the war. The American people will be grateful to Messrs. Baruch, Compton, and Conant not only for their contribution to the rubber problem, but also for the example they offer to other committees, boards, officials, and administrators whose job is to help win the war.

For this report caters to no special business interest, no special labor union interest, no special political interest. It slashes through the jungle of self-serving interests to the heart of the one interest that matters—what must we do to win.

In short, the rubber committee report is an outstanding example of that war leadership of which we hear so much and see so little.

* * *

After all, what is leadership?

Too often, what passes for leadership is nothing more than the cheapest opportunism. The fact that a man may achieve preferment or position in business, in organization work, or in politics does not mean that he is a leader. That depends wholly on how he uses the influence that may attach to his position.

Nowhere is the term "leadership" more abused than in politics. Surely no one should call himself a leader who depotes all his talents and energies to finding and following the course that is safest for his political fortunes. True leadership is not merely a matter of assenting the trend of the crowd in order to run with it. Yet, too often, that is what passes for leadership in politics.

I know that politicians are a necessary adjunct to democracy. And in normal times, perhaps, a wealthy nation can stagger along under such political "leadership" and get away with it.

But sooner or later, in peace or in war, comes an emergency. Then we must look to our would-be leaders for something more than the expedient opportunism of normal times. Then true leadership means leading with the chin. It means necks stuck out, even at the

risk of the axe. Then the politician must give way to the statesman if the people are not to perish. For right there is the difference between the politician and the statesman. The politician panders to the uninformed or selfish desires of those he needs to support his political life. The statesman sets the security of the nation above his political fortunes and tries to lead the people through the dark valleys of necessity at whatever political risk to himself.

Unhappily, it is true that some statesmen go down to political defeat while politicians flourish in their room. But in the long run, the judgments of history will appraise their services to the people more justly than did the voters of their own time. To a politician, of course, that is but poor consolation. But to a statesman, it is everything.

* * *

War leadership, then, calls for courage and selflessness on the home front as well as on the battle front. The members of Mr. Baruch's committee have staked out an honest, straightforward and statesmanlike approach to a thorny national problem. They had no special interest to serve, no political aspirations to obscure the facts. So no particular courage was required of them to seek the truth and lay it before the people.

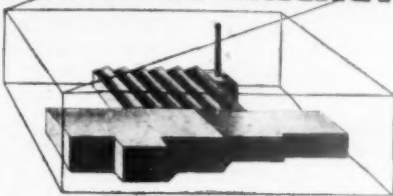
But if the President now will adopt their recommendations, if he will make them effective and put behind them the full weight of his office, it is he who will qualify for the rôle of statesman. For it is he who now must assume whatever political hazards may be involved.

The closing phrases of the rubber committee report should be pondered by those responsible for progress on many other war fronts. Listen:

"In drawing up these recommendations the committee has sought to find a basis upon which the entire nation can go forward together, uniting our energies against the enemy instead of dissipating them in domestic wrangling. It appreciates that it is asking the public to make sacrifices because of mistakes that have been made for which the people are not to blame. But wrong things done in the past cannot be cited as a defense for making mistakes in the future. The war demands that we do these things. Victory can be won in no other way."

Right now the great bulk of the American people are willing to make such sacrifices in other quarters if "the war demands that we do these things." All that they ask is the leadership of statesmen who will speak to them as simply, as bluntly, and as convincingly as this report on the urgency of the need and the price of victory. W.C.

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THE TREND

BEHIND THE MANPOWER HEADLINES

Five months ago, *Business Week* pointed to "The Coming Crisis in Manpower." That crisis is now rapidly approaching. And, supervening all the immediate manifestations of our manpower needs—to freeze war workers in their jobs, to shift labor from one occupation or industry or region to another, to decide which men to draft for the Army, to mobilize women—is the fact that we are rapidly approaching the limit of our Resource No. 1.

Thus far, we have experienced no insuperable difficulty in finding the manpower necessary for our intensifying war effort. Automatically, as our industries have converted, there have been major movements of labor from civilian work to war. Too, we have drawn on our unemployed. Finally, we have enlisted persons who normally are not in the market for jobs.

It is the elasticity of the labor force on which we have relied. But economists and statisticians have long known that there is an ultimate limit to that elasticity. And when this country entered the war, they busily began figuring the possible expansion.

• **Projecting from last spring forward**, they variously estimated that from less than 5,000,000 to more than 10,000 persons could be mobilized. A WPA sample survey indicated that some 7,500,000 persons would be willing to take full-time jobs if such were available immediately in their communities. Most of these, of course, were women. But in April, four out of five adult single women were already working. Although few mothers were employed, only 6,000,000 homemakers under 45 without children under 16 did not have jobs.

Few additional workers can come from the ranks of older mothers or those with small children. Germany has been scraping the bottom of the manpower barrel, resorting to every device of conscription of home and foreign labor possible, but even so, according to the *London Economist*, "The response from married women is not very satisfactory." The necessary half-day shifts, special shopping hours, daytime nurseries, etc., have been more trouble than the extra workers have been worth.

Because of these same difficulties, the English, in spite of their own pressing need for additional workers and fighters, have been able to mobilize only some 47% of their population. A comparable percentage for us would give 62,500,000 as the limit to our labor force, the basis on which manpower experts are now working.

• **That more or less jibes with the WPA estimate.** Our April, 1940, labor force of some 52,500,000 had increased by this spring to 55,500,000, and 7,500,000 additional reserves would come to 63,000,000. But—and this is what makes the crisis immediate—between spring and now we have already drawn upon 2,500,000 of those reserves. That would leave us with 5,000,000 to go. Mobilizing them will require more than the job and pay attractions

which have caused youngsters to leave school earlier, impelled older workers to postpone retirement, and sent single women to work.

That those 5,000,000 will be needed is indicated by War Manpower Commission estimates of requirements for Dec., 1943 (number of persons in millions):

Labor Force	Armed Forces	Unemployed	Agriculture	Self-Employed Servants	Nonagricultural	
					War	Nonwar
62.3	9.0	2.0	7.5	4.7	20.0	19.1

Right now we are down to the unemployment figure, which actually constitutes an irreducible "labor float"—of persons changing jobs, seasonally unemployed, etc. And the estimates for both agriculture and nonagricultural civilian work already assume a paring of present employment to the bone. Any further reduction in the number of persons producing or distributing food, fuel, fibers, or other essentials; in transporting war workers, or in serving their medical and other needs would cut into health, morale, and therefore productivity.

• **And that brings to the fore the dynamics of the manpower problem.** For, as it is, productivity tends to decline during war (*BW*—Sep. 5'42, p96), especially as older and inexperienced reserves are called on. This requires the services of added millions to sustain over-all output.

On top of that, General Hershey spoke this week of mobilizing a total of 10,000,000 to 13,000,000 men for the armed forces. The course of the war might dictate the need for those 4,000,000 additional soldiers, as it might also enforce an increase of 20%, or 4,000,000, in the number of persons in war work. Such demands could be met only by shifts away from minimum civilian work—in turn hitting productivity, in a vicious downward spiral.

Germany, and Britain less severely, are now undergoing just these shifts. Because of the drain to the army, and the inability to mobilize additional workers, job-rolls are beginning to drop. This, coupled with the related decline in productivity, is cutting down even direct war output.

• **That is the danger we face.** Our labor "requirements," in the sense of what we should have if we are to go on fighting at maximum potential, will far exceed 62,500,000 in a long war. Whether we can mobilize that many or more, we will continually face a general labor shortage. To postpone the day of reckoning will require strong administrative measures to harness manpower for the war.

We have passed the machine-problem stage—tooling-up and conversion—as the determining consideration in planning the war effort, and we are now passing through the materials-problem stage. Very shortly, we shall be in the manpower stage. And, we shall be there to stay. Because "for any nation manpower is Resource No. 1," in war it becomes Problem No. 1 as well.

The Editors of *Business Week*

Business Week • September 19, 1942

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